

STATE OF DELAWARE



DIVISION OF MOTOR VEHICLES

	DEALER PROCEDURES MANUAL
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FACILITIES

**Division of Motor Vehicles
Dover Administration Office
Rt. 113 - 303 Transportation Circle
P.O. Box 698
Dover, Delaware 19903**

Titles 302/744-2502
Dealer Title Section 302/744-2504
Dealer Registrations/Licensing . . . 302/744-2503
Registration Renewals 302/744-2503
Vehicle Inspections. 302/744-2514

**Division of Motor Vehicles
Greater Wilmington Facility
2230 Hessler Boulevard
New Castle, Delaware 19720**

Titles 302/434-3201
Vehicle Inspections 302/434-3206
Registration Renewals 302/434-3202

**Division of Motor Vehicles
New Castle Facility
Airport Road & Churchman's Road
New Castle, Delaware 19720**

Titles 302/326-5002
Vehicle Inspections 302/326-5004
Registration Renewals 302/326-5002

**Division of Motor Vehicles
Georgetown Facility
Rt. 113 & South Bedford Street, Extended
P.O. Box 399
Georgetown, Delaware 19947**

Titles 302/853-1001
Vehicle Inspections 302/853-1003
Registration Renewals 302/853-1002

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INTRODUCTION

WE IN THE MOTOR VEHICLE DIVISION LOOK FORWARD TO WORKING WITH DELAWARE DEALERS. THE INFORMATION IN THIS MANUAL IS DESIGNED TO HELP YOU COMPLY WITH DELAWARE LAW AND OUR PROCEDURES. WE ASK THAT EMPLOYEES AS WELL AS MANAGERS AND OWNERS BECOME FAMILIAR WITH THE MANUAL CONTENTS. WE WILL BE HAPPY TO ASSIST YOU WITH ANY OTHER QUESTIONS OR CONCERNS BEYOND THE INFORMATION COVERED IN THIS MANUAL. WE HAVE A RESPONSIBILITY NOT ONLY TO YOU AS A DEALER, BUT ALSO TO YOUR CUSTOMERS AND WE WILL ASSIST BOTH YOU AND YOUR CUSTOMER WHEN ASKED. WE HAVE FOUND THAT GOOD COMMUNICATIONS AND CLOSE WORKING RELATIONSHIPS BETWEEN OUR STAFF AND DELAWARE DEALERSHIPS ELIMINATE MOST PROBLEMS BEFORE THEY BECOME SERIOUS. WE REALLY DO LOOK FORWARD TO WORKING WITH YOU AND WISH YOU ALL THE BEST IN YOUR OPERATIONS.

NOTE:

ALL Division of Motor Vehicles telephone numbers have changed since the last printing of this manual. Please pay particular to these numbers and the addresses and telephone numbers of other state agencies listed in the manual.

Delaware Division of Motor Vehicles

DEFINITIONS

LAW: Title 21, Chapter 63, Section 6301

As used in this regulation and Delaware law:

- (1) **“Vehicle”** means motor vehicles, trailers, mobile homes and any other device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by animal power, human power, off-highway vehicles, special mobile equipment and farm equipment.
- (2) **“Wholesale Dealer”** means a dealer who may sell vehicles only to another dealer or licensed auto auction.
- (3) **“Consignment”** is when a vehicle owner enters into an agreement with a dealer for the sale of a vehicle without a transfer of ownership to the dealer.
- (4) **“Dealer”** or **“Motor Vehicle Dealer”** includes:
 - (a) A person, corporation, partnership, proprietorship or any other legal entity who is in the business of buying, selling or exchanging during any 12-month period five or more vehicles; and/or
 - (b) Any person, corporation, partnership, proprietorship or any other legal entity who offers to sell, sells, displays or permits the display for sale five or more vehicles within a 12-month period.
- (5) **“Dealer”** or **“Motor Vehicle Dealer”** shall not include:
 - (a) A receiver, trustee, personal representative or other person appointed by or acting under the authority of any court of competent jurisdiction;
 - (b) A public official who sells or disposes of vehicles in the performance of his/her official duties;
 - (c) Any financial institution chartered or authorized to do business in Delaware or their subsidiaries or affiliates which receive title to a motor vehicle in the normal course of its business by reason of a lease, foreclosure; repossession, judicial sale or voluntary conveyance of the motor vehicle as a result of any lease of the motor vehicle or any extension of credit secured by the motor vehicle or the enforcement of any lien on the motor vehicle;
 - (d) A licensed auctioneer acting on behalf of a seller, secured party or owner and when title does not pass to the auctioneer, and the auction is not for the purpose of avoiding the provisions of this section;

- (e) An insurance company authorized to do business in Delaware that sells or disposes vehicles under a contract with its insured in the regular course of business;
 - (f) Either a manufacturer or distributor who sells or distributes vehicles to licensed dealers or a person employed by a manufacturer or distributor to promote the sale of the vehicles of the manufacturer or distributor, if that manufacturer, distributor or person does not sell vehicles to retail buyers.
- (6) **“Franchised Motor Vehicle Dealer”** means a dealer in new vehicles that has a franchise agreement with a manufacturer or distributor of vehicles.
- (7) **“Department”** shall mean the Department of Public Safety, Division of Motor Vehicles.
- (8) **“Division”** shall mean the Division of Motor Vehicles.
- (9) **“Director”** shall mean the Director of the Division of Motor Vehicles or his/her authorized or delegated representative.

DEALER CLASSIFICATIONS

LAW: Title 21, Section 101 (6), DEL. CODE

At this time there are twelve (12) dealer classifications: New Vehicle Dealer, Used Vehicle Dealer, Trailer Dealer (Utility, Horse, Boat, Etc.), Mobile Home Dealer, Motorcycle & Scooter Dealer, Recreational Vehicle Dealer (Motor Homes and Travel Trailers), Wholesaler, New Truck Dealer, New Equipment, Transporter (for towing mobile homes only), Repossession and Auction.

DEALER LICENSING REQUIREMENTS

The Division of Motor Vehicles is the agency responsible for licensing all dealers operating in Delaware. All dealer applications are processed at the DMV Administrative Office in Dover. The following sections of Delaware Title 21, Chapter 63, describe specific license requirements that apply to all Delaware dealers.

DEALER LICENSE REQUIREMENTS

- (1) Department Approval: no person, corporation, partnership, proprietorship or any other legal entity shall carry on or conduct the business of buying, selling or dealing in new or used vehicles unless issued a dealer license by the Department.
- (2) Application: application for a dealer license shall be made upon the form prescribed by the Department and shall contain the name and address of the applicant. When the applicant is a partnership, the name and address of each partner shall appear on the application. When the applicant is a corporation, the names of the principal officers of the corporation, the state in which incorporated, the place or places where the business is to be conducted and such other information as may be required by the Department shall appear on the application. Every such application shall contain a certification by the applicant that the information provided is true and accurate to the best of the applicant's knowledge.
- (3) Resident Requirements: the owner of a dealership must have been issued a Delaware driver's license and established residency in Delaware at least 90 days prior to the time of application. Franchised and new vehicle dealers are exempted from this requirement.
- (4) Fee: the Department charges no fee for a license. However, all dealerships must obtain a yearly dealer business license from the Department of Finance, Division of Revenue. Dealers selling vehicles wholesale must also obtain a wholesale license pursuant to Delaware Title 30, Chapter 29. The business license(s) must be kept at the business location and be available for inspection by the Department.
- (5) Location Requirements and Records:
 - (a) No dealers license shall be issued to any vehicle dealer unless the dealership has an established place of business, owned, rented or leased by the dealership and which:

- (1) Satisfies all local zoning requirements. Zoning approval shall be submitted to the Division when the application is submitted;
 - (2) Has sales and office space devoted to the dealership and has adequate display space for five or more vehicles;
 - (3) Has a telephone installed in the office and listed in the business name. **The Division must be notified immediately of any change to the telephone number;**
 - (4) Has adequate liability insurance as required by 21 Del.C., Chapter 21, Section 2118;
 - (5) Has a sign on the premises measuring at least 24 x 36 inches, which lists the dealership's approved name.
- (b) The dealership office shall maintain and have adequate file cabinets to maintain records required by the Department. All dealer records regarding purchases, sales, transfers of ownership, collection of vehicle document fees, titling, registration fees, odometer disclosure statements, temporary license plates and records of dealer registration plates assigned to the dealer shall be maintained on the premises of the licensed location. All records shall be maintained for a minimum of five years. The Director may, on written request by a dealer, permit records to be maintained at a location other than the premises of the licensed location for good cause shown.
- (c) Every dealer shall have in its possession a certificate of title assigned to the dealership or other documentary evidence of the dealer's right to the possession of and for every motor vehicle in the dealership's possession or on the dealership premises.
- (d) During business hours, the records of the dealership shall be open to inspection by Department officials, any police officer or any duly authorized investigator at the Department of Justice while discharging their official duties.
- (6) Expiration and Renewal of License: each license issued under this title shall expire at midnight on December 31st of the period for which it was issued and may be renewed upon application to the Department prior to its expiration. Dealers who have not sold a minimum of five vehicles between January 1st and December 31st of each year shall be denied license renewal. The Director of the Division of Motor Vehicles may, on written request by a dealer, permit renewal of a dealer's license for dealers selling less than five vehicles for good cause shown in writing to the Department.

(7) Change of Location and/or Additional Location(s): in the event any dealer intends to change a licensed location or establish additional location(s), the dealer shall provide the Division of Motor Vehicles advance written notice. A successful inspection of the new location shall be required prior to approval of a change of location by the dealer. All requirements of Section 6303 of Title 21 shall be completed prior to final approval. The following documents must be submitted for all location changes:

- (a) Application (Form MV29)
- (b) Signature Authorization (Form MV26)
- (c) Letter from Planning and Zoning
- (d) Entrance Permit from Highways and Transportation (if applicable)
- (e) Inspection Form (MV29A) completed by Motor Vehicle Inspector
- (f) Franchise Letter (New Vehicle Dealer only)

The Division will issue corrected registration cards after approval is granted for the address or name change.

OTHER DEALERSHIP REQUIREMENTS

POLICY REGULATION NUMBER 74

JANUARY 11, 1984

(Revised March 2001)

CONCERNING: Requirements for Licensing of Vehicle Dealers
Pursuant to 21 Del. C., SECTION 302, and 21 Del. C., CHAPTER 63, the
Following regulations are adopted for the licensing of vehicle dealers.

- (1) Forms MV29 and MV26 must be completed and submitted to the Division of Motor Vehicles prior to the approval of such dealership. Forms are available at any Division of Motor Vehicles office.
- (2) Division of Motor Vehicles must approve business name of dealership. This is required to prevent duplication of names and very similar names.
- (3) Zoning approval must be submitted to the Division when application is submitted. Zoning authority responsible for the location of the dealership must give this written approval. Addresses and telephone numbers are available at the Division's offices.
- (4) Dealership must have office on the premises with a desk and file cabinet adequate to maintain records.
- (5) Dealership must have a sign on the premises measuring at least 24" x 36" which lists the name of the business.
- (6) Dealership must have adequate display space for 5 or more vehicles.
- (7) The vehicle dealer's business license fee of \$100 must be paid to the Division of Revenue. **Dealers selling any vehicle wholesale must purchase an additional wholesale license for the fee of \$75.00).** Copy of the receipt(s) must be attached to the application for dealership. License(s) must be displayed in the office, visible to visitors.
- (8) Pursuant to regulations of the Delaware Department of Transportation, the applicant must obtain an entrance permit from the Department of Transportation if the place of business is located on a state maintained road. A copy of this permit must be attached and submitted with the completed application for dealership.

- (9) Dealership must have a telephone installed in office and listed in business name. A receipt from the telephone company confirming this is acceptable at time of application.
- (10) With the exception of franchised, new vehicle dealers, the owner of a dealership must have been issued a Delaware driver's license at least 90 days prior to time of application.
- (11) A licensed Delaware dealer is not permitted to share a lot, office or location with another dealer.
- (12) Application must be approved prior to the issuance of dealer plates.
- (13) Proof of liability insurance must be submitted with the application. The insurance must cover all dealer plates to the dealership.
- (14) Franchised, new vehicle dealers must submit a copy of the franchise agreement (or) a letter from the manufacturer indicating that such dealer holds the franchise and the type of vehicles to be sold.
- (15) Place of business must be inspected by an agent of the Division prior to approval of application.
- (16) Delaware dealers must sell a minimum of 5 vehicles between January 1st and December 31st of each year. Failure to comply with this provision will result in the suspension of the dealer's license. Proof of vehicles sold must be provided to the Division of Motor Vehicles upon request.
- (17) Wholesale dealers must comply only with the above listed paragraphs, numbers 1, 2, 3, 4 (this may be in a home), 7, 8, (if applicable), 9, 10, 11, 12, 13, 15 and 16.

Applicants for dealerships who do not fulfill the above listed requirements will have their applications disapproved. After approval by the Division, if the dealership fails to comply with the above listed requirements, the Division may withdraw its approval and suspend all dealer privileges or any portion thereof.

SPECIFIC DEALERSHIP REQUIREMENTS

NEW VEHICLE DEALERSHIP:

- (1) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed within 90 days prior to expiration date.
- (2) Business name must be registered with the Prothonotary's Office in the county where you are located. There is a \$15.00 filing fee.

USED VEHICLE DEALERSHIP:

- (1) Business name must be registered with the Prothonotary's Office in the county where you are located. There is a \$15.00 filing fee.
- (2) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed 90 days prior to expiration date.
- (3) "Used vehicle dealers must title all new vehicles into dealership name."

WHOLESALE DEALERSHIP:

- (1) A wholesale dealer who is licensed by the Division is authorized to do the following:
 - (a) Buy a vehicle from another dealer, a licensed auto auction or retail seller;
 - (b) Sell a vehicle to or exchange vehicles only with another dealer or through a licensed auto auction;
 - (c) A wholesale dealer may operate from a private residence and is not required to comply with Sections 6303(a)(2) or (5) of this title.
- (2) A wholesale dealer may not:
 - (a) Sell or exchange vehicles with a retail buyer; and
 - (b) Buy, sell or exchange new vehicles; and
 - (c) Sell vehicles on consignment.
- (3) Business name must be registered with the Prothonotary's Office in the county where you are located. There is a \$15.00 filing fee.
- (4) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed within 90 days prior to expiration date.

- (5) A wholesale dealer is not permitted to buy from or sell to the general public. He is restricted to dealing with other dealers and auctions. A wholesale dealer **MAY NOT** purchase and issue temporary tags.

NOTE: REQUIRED BY THE DIVISION OF REVENUE TO PURCHASE AN ADDITIONAL WHOLESALE LICENSE IN THE AMOUNT OF \$75.00.

MOBILE HOME DEALERSHIP:

- (1) Must have adequate display lot (except real estate agents).
- (2) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed within 90 days prior to expiration date. If dealer does not transport the mobile homes, which he sells, there is no need to issue dealer tags. We will issue a dealer ID number and a dealer license for which there is no charge. Dealer must notify the Department each year to update your ID number, but no fee is charged for this service. A new dealer license will be issued also.

REPOSSESSION DEALERSHIP:

- (1) Business name must be registered with the Prothonotary's Office in the county where you are located. There is a \$15.00 filing fee.
- (2) Dealer tags and records must be maintained at the address shown on the dealer application and available for inspection by duly authorized agents of the Motor Vehicle Division and law enforcement officers.
- (3) Fee for each dealer plate is \$10.00. All repossession plates expire on December 31st each year and may be renewed 90 days prior to expiration date.
- (4) All repossession plates must be approved by the Director and can at any time be suspended.
- (5) Repossession plate permits dealer to transport, wholesale, retail and issue temporary tags.
- (6) Cause must be shown if more than one plate is to be issued.
- (7) Repossessor cannot operate in same location with another reposessor or dealer.
- (8) MV-60 form must be filed with the Motor Vehicle Division on every vehicle acquired by the reposessor.

AUCTION SERVICE DEALERSHIP:

- (a) Each person who conducts auctions of vehicles shall keep a record of each of the following:
 - (1) The name and address of the consignor or seller;
 - (2) The date on which the vehicle was consigned;
 - (3) The year, make, model and vehicle identification number of each vehicle consigned;
 - (4) The title number and State where the vehicle was last registered;
 - (5) The odometer mileage reading at the time of consignment;
 - (6) The name and address of the person to whom the vehicle was sold;
 - (7) The buyer's drivers license number and state which issued the license;
 - (8) The selling price; and
 - (9) The date of sale.
- (b) During business hours, auction records shall be open for inspection by Division of Motor Vehicles officials, any police officer or any duly authorized investigator at the Department of Justice while discharging their official duties.
- (c) Auction sales must be performed at the approved auction location.
- (d) All records required by this section shall be maintained for five (5) years after the sale of the vehicle to which such records apply.
- (e) Auctions are authorized to issue 30-day temporary license plates under the provision of Delaware Title 21, Section 2130, to allow vehicles to be removed from the auction lot. The temporary plates shall only be issued to individuals with a valid driver's license. The auction shall witness and record proof of any legally required liability insurance on a vehicle prior to the issuance of the temporary license plate.

If the applicant requests a dealer plate, the fee is \$10.00. If the applicant does not wish to get dealer plates, there is no fee charged by Motor Vehicle Division and we will issue an ID number and a dealer license. No proof of insurance is required for ID numbers. All dealer plates and ID numbers expire on December 31st each year and may be renewed within 90 days prior to expiration date.

DEALERSHIPS WITH RENTAL OR LEASING BUSINESS

Dealers who operate a leasing or rental business that is a separate entity from the new/used car business must title the vehicles in the name of the leasing/rental business. The vehicle must be transferred back to the dealership for sale.

NOTE: Leasing companies applying for Delaware dealership must meet all of the requirements of a used vehicle dealership and also must be in the business of buying and selling vehicles.

DEALERS OPENING MORE THAN ONE DEALERSHIP:

A dealer opening another dealership must provide a new dealership application meeting all Division of Motor Vehicle requirements at that location.

The two dealerships may not interchange dealer tags, temporary tags or dealer reassignments. Records of purchase and sales and temporary and dealer tag logs must be kept at each location. If the second dealership is in a different name and incorporated, a second dealer's license is required from the Division of Revenue. However, if both dealerships are sole proprietorships, a second dealer's license is not required from the Division of Revenue. (Contact the Division of Revenue with any questions concerning this requirement. See page 21 for telephone numbers.) A franchised (new vehicle) dealer who adds a new franchise at the same location must submit a franchise agreement from the manufacturer.

If the second franchise is at a new location, another application must be submitted that meets all the requirements for a new car dealership.

ISSUANCE OF DEALERSHIP LICENSE:

The Department, upon receiving an application for approval and when satisfied the applicant is of good character and as far as can be ascertained has complied with the laws of this and other states, shall approve the application. The approval shall entitle the dealer to carry on and conduct the business of a dealer during the calendar year in which approval is issued. Franchised new vehicle dealers must provide the Division a copy of the franchise agreement prior to being licensed as a new vehicle dealer. A dealer license will be supplied to each dealer and must be displayed in a prominent location.

PROHIBITED DEALER ACTS:

A dealer, its agent or an employee of a dealer may not permit any individual to road test a motor vehicle if they know the individual does not have a valid drivers license.

NOTE: A motorcycle endorsement is required on the driver's license before a motorcycle can be test-driven.

A dealer or an agent or employee of a dealer may not commit any fraud in the execution of, or any material alteration of, a contract, power of attorney or other document incident to a sale or exchange of a vehicle.

A dealer or an agent or employee of a dealer may not willfully fail to comply with the terms of a warranty or guarantee. A Federal Trade Commission Buyers Guide will be properly completed and displayed on all used vehicles. Buyer(s) will be provided a copy of the Guide prior to completion of the sale.

ACTS OF OFFICERS, DIRECTORS, PARTNERS AND SALES PERSONS:

If a licensee is a partnership or corporation, it shall be sufficient cause for the denial or suspension of a license if any officer, director or trustee of the partnership or corporation or any member in the case of a partnership, has committed any act or omitted any duty which would be cause for denial or suspending a license issued to him as an individual under this chapter. Each licensee shall be responsible for all acts of any of their salespersons while acting as their agent if the licensee approved of those acts or had knowledge of those acts or other similar acts and after such knowledge retained the benefit, proceeds, profits or advantages accruing from those acts.

Locations of the Prothonotary's Office:

New Castle County

Daniel L. Herrmann Crthse. Kent Co. Crthse.
1020 N. King St.
Wilmington, DE 19801-3349
Phone: 577-2400 xt. 153

Kent County

38 The Green
Dover, DE 19901
Phone: 739-3184

Sussex County

Sussex Co. Crthse.
10 The Circle
Georgetown, DE 19947
Phone: 856-5742

Locations of the Planning & Zoning Office:

New Castle County

Planning & Zoning
Dept. of Land Use
New Castle Gov't Ctr.
87 Read's Way
Corp. Commons
New Castle, DE 19720
Phone: 395-5400

Kent County

Kent County Admin. Planning & Zoning
414 Federal St.
Dover, DE 19901
Phone: 744-2471

Sussex County

Sussex Co. Admin. Bldg.
2 The Circle
Georgetown, DE 19947
Phone: 855-7878

Locations of the Highways & Transportation Entrance Permit Office:

New Castle County

250 Bear-Christiana Rd.
Bear, DE 19701
Phone: 323-4477/4478

Kent County

930 Public Safety Blvd.
Dover, DE 19901
Phone: 760-2433

Sussex County

Rt 113 & Co. Rd 431
Georgetown, DE 19947
Phone: 856-5441

Locations of the Division of Revenue Office:

New Castle County

Div. of Revenue
Carvel Office Bldg.
820 N. French Street
Wilmington, DE 19801
Phone: 577-3300

Kent County

Div. of Revenue
Thomas Collins Bldg.
540 S. Dupont Hwy. Georgetown, DE 19947
Suite A
Dover, DE 19901
Phone: 744-1085

Sussex County

Div. of Revenue
422 N. Dupont Hwy.
Georgetown, DE 19947
Phone: 856-5358

OR - Toll Free 1-800-292-7826 (in Delaware only)

DELAWARE LAW COVERING DEALER LICENSING, SUSPENSION OF LICENSE, DENYING RENEWAL, HEARINGS

LAW: Title 21, Section 6313, DEL. CODE

Section 6313: Grounds for Denying Renewal of License or Suspension of License

A license issued pursuant to this chapter may be denied, suspended or revoked for any one of the following reasons:

- (1) Material misstatement or omission on the application for license.
- (2) Failure to maintain an established place of business, business phone or Division of Revenue Dealer Business License.
- (3) Failure to comply subsequent to receipt from the Division of a cease and desist order; or a written warning or arrest; or failure to comply with the provisions of Title 21 and Title 30 of the Delaware Code.
- (4) Conviction of the dealership of any fraudulent or criminal act in violation of Title 11 of the Delaware Code in connection with the business of selling vehicles.

LAW: Title 21, Section 6314, DEL. CODE

Section 6314: Suspension and Hearing Notice

(a) No license issued under this title shall be suspended, revoked or renewal thereof refused until a written copy of the complaint made has been furnished to the licensee against whom the same is directed. The written notice of complaint shall be sent to the licensee by certified mail, return receipt requested, addressed to the last known address as shown on the license or dealership application or other record of information in possession of the Division. The written notice shall inform the licensee of the following:

- (1) This Division's intention to suspend, revoke or deny renewal of the dealership license.
- (2) The nature of the complaint and the law or regulation allegedly violated by the dealership.
- (3) The notice shall cite the law or regulation giving the Division authority to act.

- (4) The notice shall inform the dealer of its right to request a hearing to dispute the complaint. The hearing must be requested within 10 days from the earlier of the dates that the dealer received the certified letter or the Division received the return receipt on the certified letter.
- (5) The notice shall inform the dealer of its right to present evidence, to be represented by counsel and to appear personally or by other representative at the hearing.
- (b) The Division shall inform a dealer requesting a hearing of the date, time and place the hearing shall be held. The notification shall be provided by certified mail, return receipt requested, and shall give at least 20 days prior notice to all parties involved unless waived by the dealer. The notice shall inform the parties of the Division's obligation to reach its decision based upon the evidence received.

LAW: Title 21, Section 6315, DEL. CODE

Section 6315: Hearings.

- (a) If the Division refuses an application for a license, denies a renewal of a license or proposes the suspension or revocation of a dealer's license, the Division shall provide a hearing when requested under Section 6314 of this chapter. At the hearing the licensee shall have the right to be heard personally, by counsel or by its agent. The Director may initiate investigations, appoint a hearing officer and subpoena witnesses. After the hearing, the Director, upon receiving a decision from the hearing officer upholding the Division's position, may suspend or revoke a dealer's license, deny renewal or refuse to approve an application. The Director shall consider prior to any suspension, revocation, denial of renewal or refusal to approve an application:
 - (1) The nature of the violation(s) and the dealer's willingness to make restitution to all parties harmed by dealership actions.
 - (2) The effect of the proposed action on the community.

The Director shall provide written notice to all parties involved of the decision by certified mail, return receipt requested. The decision is appeal able to the Superior Court. The dealer or the date of receipt of the return receipt by the Division must file any appeal within 30 days of the earlier of the receipt of the decision.

Should a dealer fail to maintain an established place of business, the Division may cancel the license without a hearing after notification of the intent to cancel has been sent by certified mail to the dealer at the dealer's residence and business addresses, and the notices are returned undelivered, or the dealer does not respond within 20 days from the date the notices were sent.

LAW: Title 21, Section 6316 DEL. CODE

Section 6316: Return of License, Dealer Number Plates, Temporary License Plates and Dealer Reassignment Forms.

If the Division suspends, revokes or denies the renewal of the license of any dealer licensed under this Chapter 63, the dealer immediately shall return the license, dealer number plates, temporary license plates and dealer reassignment forms belonging to the dealer. The Division may grant the licensee up to 30 days to dispose of vehicles belonging to the dealer.

BILL OF SALE:

Every motor vehicle dealer shall complete, in duplicate, a bill of sale for each sale or exchange of a motor vehicle. The original shall be retained for a period of five years. A duplicate copy shall be delivered to the purchaser at the time of sale or exchange. Both buyer and seller shall sign the bill of sale. A bill of sale shall include the following:

- (1) The name and address of the person to whom the vehicle was sold or traded;
- (2) The date of the sale or trade;
- (3) The name and address of the motor vehicle dealer selling or trading the vehicle;
- (4) The make, model, year, vehicle identification number and body style of the vehicle;
- (5) The sale price of the vehicle;
- (6) The amount of any deposit made by the buyer;
- (7) A description of any Delaware titled vehicle used as a trade-in and the amount credited the buyer for the trade-in;
- (8) The amount of the document fee, title fee, registration fee or any other fee for which the buyer is responsible and the dealer has collected; each fee shall be individually listed and identified;
- (9) And the amount of any balance due at settlement.

CONSIGNMENT VEHICLES-CONTRACT:

Any motor vehicle dealer offering a vehicle for sale on consignment shall have in their possession a consignment contract for the vehicle executed and signed by the dealer and the consignor. The consignment contract shall include the following:

- (1) The complete name and address of the owner(s);
- (2) The name, address and dealer identification number of the selling dealer;
- (3) A complete description of the vehicle on consignment including the make, model, year, vehicle identification number and body style;
- (4) The beginning and termination dates of the contract;
- (5) The percentage or the net amount the owner is to receive if the vehicle is sold;
- (6) A disclosure of all unsatisfied liens on the vehicle and the location of the certificate of title to the vehicle.

Any dealer offering a vehicle for sale on consignment shall inform any prospective customer that the vehicle is on consignment. Dealer license plates shall not be used to demonstrate a vehicle on consignment. The owner's license plate may be used if liability insurance coverage is in effect in the amount prescribed by Delaware law.

DEALER TITLE WORK

- (1) The Division of Motor Vehicles has a Dealer Title Section at the Dover Administration Office (Phone: 744-2504) that handles dealer title work. Turnaround time for dealer folders varies from 7 to 14 days. Dealership title clerks need to comply with the following procedures for dealer folders.
 - a) Deliver the folder to the nearest lane locations or directly to Dover. Ensure you have your dealership name, title clerk's name and telephone number and the lane location you want the folder returned to printed on the outside of all folders.

- b) Ensure all documentation is enclosed and completed correctly, including your dealer worksheet (forms available at Dover Office). All work must show buyer's driver license number, NAIC CODE for buyer's insurance company and lien information. Lien information block must be completed with the full name of the lienholder and complete address. If the vehicle has no lien, ensure "none" is shown in the lien block. Dealers must note on applications if vanity tag is a "new vanity" or a transfer of existing vanity.
 - c) A Dover title clerk will call you when the work is completed.
- (2) Dealers may have 3 titles per day processed at the title counter. Title work that cannot be processed due to dealer errors will count as a title processed. Titles will only be accepted during the following hours: Monday, Tuesday, Thursday and Friday: 8:00 a.m. to 11:00 a.m. and 1:30 p.m. to 4:00 p.m.; Wednesday: 12:30 p.m. to 2:30 p.m.

DOCUMENT FEE

A Delaware dealer is exempt from paying the vehicle document fee on a "U" title in the dealer's name. An exception may be granted when a dealer completes a MV602 Form certifying the vehicle is for resale. If a dealer registers a vehicle in the dealership name or if a lien is entered on the certificate of title, the dealer must pay the document fee. Dealers may only deduct one trade-in vehicle for document fee calculations. The trade-in vehicle must have been titled in the dealership's name and transferred out of the dealership's name within 60 days of the title application to claim credit for a document fee deduction. The trade-in vehicle must be titled in Delaware and document fee paid on the transfer into the dealership's name.

TITLE LAW

Failure to comply with the following sections of the law may result in the immediate suspension of your dealer's license.

LAW: TITLE 21, SECTION 2509, DEL. CODE

Delivery of Title Application to the Department.

If a licensed dealer holds for sale a motor vehicle, truck tractor, trailer, or any other vehicle required by this title to be registered or titled by the Department, and transfers the motor vehicle, truck tractor, trailer or other vehicle to someone other than another licensed dealer who holds such vehicle for sale, the dealer shall:

- (1) Comply with the provisions of this chapter; and
- (2) Within 30 days of the date of delivery of the vehicle to the purchaser or transferee, transmit to the Department the application for certificate of title and such other accompanying documents and fees as are required by the Department; or
- (3) Within 10 days of the date of delivery of the vehicle, transmit to the purchaser or transferee of such vehicle the application for certificate of title and such other accompanying documents as are required by the Department, in which case the transferee or purchaser shall submit the application and other documents to the Department within 30 days of the date of delivery of the vehicle. Dealers cannot provide temporary tags to Delaware residents when the dealership does not process the title work.
- (4) If, due to extenuating circumstances, the dealer or purchaser or transferee is unable to transmit the application to the Department within 30 days of the date of delivery of the vehicle the Director in his discretion may grant an extension of time within which the dealer, purchaser or transferee must do so.

LAW: Title 21, Section 2504, DEL. CODE

Section 2504. Transfer to a Dealer

- (a) If the transferee is a dealer, the owner upon transferring a registered vehicle shall properly endorse the registration card and deliver it together with the certificate of title properly assigned to the dealer who shall immediately report such transfer to the Department (MV60). After reporting the transfer, the dealer may operate such vehicle upon the highways during the period for which it is currently registered without dealer's plates solely for the purposes of testing, demonstrating or selling the vehicle but upon the sale of such vehicle the dealer shall endorse the name and address of the purchaser and the date of transfer upon the registration card and shall immediately give or send the card to the Department or an authorized representative thereof. The purchaser or transferee of the dealer shall before operating or permitting the operation of the vehicle upon a highway, comply with this chapter.
- (b) If ownership of a vehicle held by a registered dealer for sale is transferred, the transferring dealer, without applying for a new certificate of title, may execute an assignment of title to the transferee on a Dealer's Reassignment Form, prescribed by the Department.

Such assignment shall include a statement certifying all liens and encumbrances on the vehicle. Every dealer, upon transferring a vehicle, shall immediately give a written notice of such transfer to the Department upon official form provided by the Department.

- (c) Dealer Reassignment Forms may be issued to a qualified dealer upon application for not less than 5 such forms and payment of a fee of \$10 for each form.

(The notice required under Paragraph (b) must be done with Form MV60).

TRANSFER OF LOW-DIGIT PLATES WITH VEHICLE

In order to prevent misunderstandings and to prevent the Division from being involved in disputes involving valuable low-digit license plates, the following policy will be used when these plates are sold with a vehicle. The policy applies to 4-digit or lower passenger car, PC or C plates and 3-digit or lower passenger car, PC, MC, T, RV and C plates.

Vehicle buyers wishing to title a vehicle with a low-digit license plate on the vehicle will be required to obtain a notarized affidavit signed by the vehicle seller which states the license plate is to remain with the vehicle. The attached "Division of Motor Vehicles Seller's Affidavit" should be used if possible. The Division will also accept a notarized letter or statement from the seller in lieu of the Division's Seller's Affidavit.

In the event the seller cannot be located, the buyer may transfer the plate with the vehicle by completing the attached Buyer's Affidavit. The Buyer's Affidavit provides no protection for the buyer in the event the vehicle's seller challenges the transfer of the plate.

Data management will microfilm all affidavits.



**STATE OF DELAWARE
SELLER'S AFFIDAVIT TO TRANSFER A LOW-DIGIT TAG
WITH VEHICLE**

This affidavit must be used when the seller of a Delaware registered vehicle sells the vehicle with a 4-digit or lower pleasure car, "PC" or "C" plate, or a 3-digit or lower pleasure car, "PC", "MC", "T", "RV" or "C" plate with the vehicle. The affidavit is necessary to protect the Division, dealers and buyers from any disputes involving ownership of the license plate. Please fill in all blocks and have the document notarized. The Division must have the original with a raised notary seal.

TO: Delaware Division of Motor Vehicles

8/31/00
Date

I, John H. Doe, do hereby affirm that Delaware license
(print full name)

plate C567 was transferred to Jane S. Smith
(plate number) (buyer's name)

along with my vehicle:

MAKE	MODEL	YEAR	VIN
Olds	Cutlass	2000	ABC01234567899123

Seller's Signature

8/31/00
Date

SWORN TO AND SUBSCRIBED before me this 31 day of August, 2000.

Notary Public

My commission expires 4/20/2004.



**STATE OF DELAWARE
BUYER'S AFFIDAVIT TO TRANSFER A LOW-DIGIT TAG
WITH VEHICLE**

This affidavit must be used when the seller of a Delaware registered vehicle sells the vehicle with a 4-digit or lower pleasure car, "PC" or "C" plate, or a 3-digit or lower pleasure car, "PC", "MC", "T", "RV" or "C" plate with the vehicle. The affidavit is necessary to protect the Division, dealers and buyers from any disputes involving ownership of the license plate. Please fill in all blocks and have the document notarized. The Division must have the original with a raised notary seal.

TO: Delaware Division of Motor Vehicles

8/31/00
Date

I, Jane S. Smith, do hereby affirm that Delaware license
(print full name)

plate C567 was transferred to John H. Doe
(plate number) (buyer's name)

along with my vehicle:

MAKE Olds	MODEL Cutlass	YEAR 2000	VIN ABC01234567899123
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Seller's Signature

8/31/00
Date

SWORN TO AND SUBSCRIBED before me this 31 day of August, 2000.

Notary Public

My commission expires 4/20/2004.

LAW: Title 21, Section 2510, DEL. CODE

Section 2510. Endorsement and Delivery of Certificate of Title Upon Transfer; Penalty

- (a) The owner of a motor vehicle for which a certificate of title is required shall not sell or transfer his title or interest in or to such vehicle unless he has obtained a certificate of title thereto or unless having procured a certificate of title he shall in every respect comply with the requirements of this section. Whoever violates this section shall be fined not less than \$25 nor more than \$500, or imprisoned not less than 30 days nor more than 1 year or both.
- (b) The owner of a motor vehicle who transfers or sells his title or interest in or to such motor vehicle shall endorse an assignment and warranty of title upon the certificate of title for such vehicle with a statement, as certified by the owner, under penalty of perjury of all liens or encumbrances thereon and the owner shall deliver the certificate of title to the purchaser or transferee at the time of delivering the vehicle.
- (c) The transferee, except as provided in subsection (d) of this section, shall thereupon present such certificate endorsed and assigned to the Department, accompanied by a transfer fee of \$15, and make application for and obtain a new certificate of title for such vehicle.
- (d) When the transferee of a vehicle is a dealer who holds the vehicle for resale and operates it only for purposes of demonstration under dealer's number plates or when the transferee does not drive such vehicle or permit such vehicle to be driven upon the highways, such transferee shall not be required to forward the certificate of title to the Department, as provided in subsection (c) of this section, but such transferee upon transferring his title or interest to another person shall execute and acknowledge an assignment and warranty of title upon the certificate of title and deliver the same to the person to whom such transfer is made. No dealer or other transferee shall hold the certificate of title to a motor vehicle for resale and/or transfer his title or interest to another person by executing an assignment and warranty of title upon the certificate of title without first having satisfied or caused to be satisfied all liens or encumbrances against the motor vehicle recorded in the office of the Secretary.
- (e) Whenever the ownership of any motor vehicle passes otherwise than by voluntary transfer, the new owner may obtain a certificate of title therefore from the Department upon application therefore and payment of a fee of \$15, accompanied with such instruments or documents of authority, or certified copies thereof, as may be required by law to evidence or effect a transfer of title or interest in or to chattels in such case. The Department, when satisfied of the genuineness and regularity of such transfer, shall issue a new certificate of title to the person entitled thereto.

LAW: Title 21, Section 2302, DEL. CODE

When a mobile home or house trailer is sold by a Delaware licensed mobile home dealer the dealer shall be responsible for immediately submitting the application for certificate of title, related documents and all fees to the Division of Motor Vehicles for the purpose of securing a title.

TITLING PROCEDURES

- (1) Immediately upon taking a vehicle in possession, a dealer is required to send Form MV-60 to the Motor Vehicle Division in order to release the former owner from responsibility while the vehicle is in the dealer's possession. Law requires this. (Section 2504(a))

Form MV-60's are furnished by the Division. All data must be completed.

- (2) The previous owner (seller) must sign the back of the title in block #1 and print his or her name. The previous owner must also complete the Odometer Disclosure Statement on the title and an Odometer Disclosure Statement for the dealer. Upon taking possession of the vehicle, the dealer is required to fill in the dealer's name and address in the purchaser's section of block #1. A person authorized to sign title work for the dealership will sign in block #2 and print his/her name and the name of the dealership.
- (3) Fill in new owner's name and address in section #2 along with the date. Odometer Disclosure Statement must be completed by the dealer in block #2 and new owner must sign and print name.
- (4) Complete Block #4 by having the new owner or owners sign on the bottom line, (signature of applicant). Fill in the driver's license information for all owners, owner's name, owner's address and Insurance Company NAIC Code. If there is more than one owner, all owners must sign.
- (5) Lienholder information must be completed in Block #3 on the back of the title. Fill in the complete lienholder's name and address. **(SPECIAL NOTE: A DEALER CANNOT HOLD A TITLE FOR MONEY OWED UNLESS A LIEN IS ENTERED ON THE TITLE). THE TITLE MUST BE TRANSFERRED TO THE NEW OWNER'S NAME.**
- (6) Complete the Document Fee Recording Form section with the total price of the vehicle, the amount of the trade-in (if any) and the net cost or balance. The dealer when reassigning the title must complete this. Manufacturer **rebates will not be deducted** from the total price of the vehicle.

- (7) The Division requires a copy of the dealer's bill of sale when the title work is submitted to the Division for titling.
- (8) Buyers are only allowed to deduct one trade-in vehicle for document fee reduction. The trade-in vehicle must be in the buyers name and Delaware titled to qualify as a trade-in.
- (9) Delaware Power of Attorney for transfer of ownership to a Motor Vehicle. Federal Law requires the use of this form when a dealer buys a motor vehicle from an owner or accepts the vehicle as a trade-in and the title is physically held by a lienholder or has been lost and the owner does not wish to return to the dealership to complete the odometer disclosure when the title is received. Delaware also allows you to use this form to transfer the title for the owner. The owner, by signing this form, appoints the dealership as an attorney-in fact to execute all papers and documents necessary to transfer the title and mileage to the old title when required. The form has detailed instructions on the last copy. These forms may be purchased from any Division of Motor Vehicle Office. Cost \$2.00 for 25 forms.
- (10) An Odometer Disclosure Statement must be completed and given to the new owner of the vehicle. The Delaware power of attorney may be used as the disclosure statement. The Odometer Mileage Statement on the back of the title must also be completed, or the title will not be accepted at the Motor Vehicle Division.
- (11) All applicants must have reached their 18th birthday on or before the date of application. If applicant is under 18, a parent or guardian must sign in section #4 where a line is provided for "Parent or Guardian Consent".

CERTIFICATE OF TITLE TO MOTOR VEHICLE

State of Delaware

DIVISION OF MOTOR VEHICLES

DEPARTMENT OF PUBLIC SAFETY

STOCK NO.
5925058

DOCKETER MILEAGE 2,114		ACTUAL VEHICLE MILEAGE	
TITLE, TAG & REGISTRATION NO. 969696	MANUFACTURER & YEAR CHEV 2000	MODEL 4D	BODY STYLE 4D
DATE SALE 08/17/2000		VEHICLE IDENTIFICATION NO. 123456TEST	
TAG EXPIRATION DATE 02/28/2002		GROSS WEIGHT USE	
ISSUED TO TEST NAME		USE FLOOD-VEH	
303 TRANSPORTATION DOVER DE 19901			

LIENHOLDER(S)

1. DELAWARE STATE POLICE FCU
PO BOX 800
GEORGETOWN DE 19947

1ST LIEV
DATE OF RELEASE

UNRECORDED

AUTHORIZED REPRESENTATIVE

2ND LIEV IF ANY
DATE OF RELEASE

UNRECORDED

AUTHORIZED REPRESENTATIVE

3RD LIEV IF ANY
DATE OF RELEASE

UNRECORDED

AUTHORIZED REPRESENTATIVE

I, the undersigned, hereby certify that an application for certificate of title has been made for the vehicle described herein, pursuant to the provisions of the Motor Vehicle Laws of this State, and that application has been duly recorded as the lawful owner of said vehicle. I further certify that this vehicle is subject to the security interests shown herein. But, however, this vehicle may be subject to other security interests not filed with this Department. This Department will not be responsible for false or fraudulent odometer statements made in the assignment of the Certificate of Title or for errors made in recording by this Department.

STOCK NO. **5925058**

STORE IN A SAFE PLACE
AND ALTERATIONS, ERASURES, OR
MUTILATIONS VOID THIS TITLE

DIRECTOR, MOTOR VEHICLE DIVISION

DO NOT DETACH UNTIL SOLD - SEE REVERSE SIDE

PMVALLB

SELLERS REPORT OF SALE

STATE OF DELAWARE
DIVISION OF MOTOR VEHICLES

TAG NO. 969696	MANUFACTURER & YEAR CHEV 2000	VEHICLE IDENTIFICATION NO. 123456TEST	SELLING PRICE	DATE
NAME OF SELLER (CURRENT REGISTERED OWNER) TEST NAME			NAME OF BUYER	
COMPLETE ADDRESS OF SELLER			COMPLETE ADDRESS OF BUYER	
CITY	STATE	ZIP	CITY	STATE
SELLER'S SIGNATURE X			BUYER'S DRIVER'S LICENSE NO. STATE	

WARNING - WHEN YOU SELL/RELEASE INTEREST IN THIS VEHICLE, YOU MUST MAIL THIS DETACHMENT, ALONG WITH THE REGISTRATION CARD IMMEDIATELY TO DMV REGISTRATION SECTION, PO BOX 692, DOVER, DE 19903 TO ENSURE YOUR RESPONSIBILITY FOR THE VEHICLE IS RELEASED.

FOR YOUR PROTECTION, THE UNDERSIGNED WARRANTS THE ACCURATE DESCRIPTION OF THE VEHICLE ON THE CERTIFICATE OF SALE

Jack's Auto Sales

PURCHASER(S) 123 DMV Lane, Dover, DE 19901 **DATE OF SALE** 8/31/00

To be completed by seller of the vehicle unless sold to a Delaware Resident Dealer. The vehicle described on the front of this certificate was sold for a

* THIS INFORMATION IS REQUIRED ONLY IF THE TRADE-IN IS A DELAWARE REGISTERED VEHICLE.

Total price of _____
 * Less trade-in value _____
 Net cost _____
 Document fee _____

YEAR _____ MAKE _____ TITLE TAG OR REGISTRATION NO. _____ STATE _____
 DESCRIBED VEHICLE TRADE-IN _____

I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following statements is checked:

☒ 1. The mileage stated is in excess of odometer mechanical limits. (Exceeds 99,999)
☐ 2. The odometer reading is not the actual mileage. — WARNING — ODOMETER DISCREPANCY

FEDERAL and State Law requires that you state the mileage in connection with transfer of ownership. Failure to complete ODOMETER STATEMENT OR providing a FALSE STATEMENT may result in fines and/or imprisonment.

I/we certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

Signature of Seller -X Cheryl A. Roe of Buyer -X Jack's Auto Sales
 Signature of Seller -X Terri Smith POA of Buyer -X Terri Smith
 Printed Name of Seller Cheryl A. Roe by Terri Smith POA Terri Smith

For value received, the undersigned transfers the vehicle described on the face of this certificate to

PURCHASER(S) John Q. &/or Jill H. Jones **DATE OF SALE** 9/5/00

ADDRESS: 56 Hickory Circle, Laurel, DE 19956

and warrant title to said vehicle and state that at the time of delivery is subject to the following security interests and none other.

Dealer must complete upon reassignment unless sold to a Delaware Registered Dealer. The vehicle described on the front of this certificate was sold for a

* THIS INFORMATION IS REQUIRED ONLY IF THE TRADE-IN IS A DELAWARE REGISTERED VEHICLE.

Total price of \$2,200
 * Less trade-in value 500
 Net cost 1,700
 Document fee 47

YEAR 1970 MAKE Chev TITLE TAG OR REGISTRATION NO. 524980 STATE DE
 DESCRIBED VEHICLE TRADE-IN _____

I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following statements is checked:

☒ 1. The mileage stated is in excess of odometer mechanical limits. (Exceeds 99,999)
☐ 2. The odometer reading is not the actual mileage. — WARNING — ODOMETER DISCREPANCY

I/we certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

Signature of Seller's Agent -X Terri Smith of Buyer/Agent -X John Q. Jones
 Printed Name of Seller's Agent: Terri Smith of Buyer/Agent: John Q. Jones
 Printed Name of Dealer: Jack's Auto Sales of Dealer/Company: Terri Smith POA

NAME OF LIENHOLDER NONE
 ADDRESS _____

PRINT FULL NAME OF APPLICANT(S) A \$25.00 LATE FEE IS CHARGED FOR VEHICLES NOT RETITLED WITHIN 30 DAYS OF SALE DATE.
John Q. &/or Jill H. Jones

ADDRESS OF APPLICANT(S) 56 Hickory Circle
Laurel, DE 19956

SS. DRIVER'S LIC. NO. 222600 IF F. OF BIRTH 11/25/61
 SS. DRIVER'S LIC. NO. 760810 MD. SS. NO. 25178
 CO. APPLICANT DRIVER'S LIC. NO. INSURANCE CO. LIC. NO.

IF UNDER 18 PARENT OR GUARDIAN'S CONSENT

I, to whom the vehicle described on the face of this certificate has been transferred, do hereby state that the description on the face of this certificate agrees in every particular with the vehicle described and I further state that the vehicle is subject to the above stated liens and none other.

I/we certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

X John Q. Jones 9/5/00 X Jill H. Jones 9/5/00
 (SIGNATURE OF APPLICANT) (DATE) (SIGNATURE OF CO-APPLICANT) (DATE)
By Terri Smith POA By Terri Smith POA

DELAWARE POWER OF ATTORNEY FOR TRANSFER OF OWNERSHIP TO A MOTOR VEHICLE

(A FORM FOR LICENSED DEALERS ONLY)

WARNING: THIS FORM MAY BE USED ONLY WHEN TITLE IS PHYSICALLY HELD BY LIENHOLDER OR HAS BEEN LOST.
This Form Must Be Submitted To The State By the Person Exercising Powers of Attorney. Failure To Do So May Result in Fines and/or Imprisonment.

VEHICLE DESCRIPTION

Veh. Identification No. 1FTP24C7890123456	Year/Model 1987	State of Vehicle Ford	Body Style PK	Model 30
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PART A. A Power of Attorney to Transfer Ownership and to Disclose Mileage

Federal and State law requires that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

I, Cheryl A. Roe (Buyer's Name, Print) appoint Jack's Auto Sales (Dealership's Name, Print) as my attorney-in-fact, to execute all papers and documents necessary to transfer my title on the above described vehicle and to disclose the mileage on the title for the vehicle described above exactly as stated in my following disclosure.

I state that the odometer now reads 21200 (no tenths) miles and to the best of my knowledge that it reflects the actual mileage unless one of the following statements is checked:

- ☒ (1) The mileage stated is in excess of its mechanical limits.
☒ (2) I hereby certify that the odometer reading is NOT the actual mileage. **WARNING - ODOMETER DISCREPANCY.**

Cheryl A. Roe (Signature of Seller/Agent) Cheryl A. Roe (Printed Name) 9/3/00 (Date of Statement)

23456 Alp Rd., Magnolia, DE 19963 (Seller's Street Address, City, State, Zip Code)

Terris Smith (Signature of Buyer/Agent) Terris Smith (Printed Name of Beneficial Signer as Buyer/Agent)

Jack's Auto Sales, 123 DMV Lane, Dover, DE 19901 (Dealership's Name, Street Address, City, State, Zip Code - Print or Type) 007 (Dealer Number)

PART B. Power of Attorney to Review Title Documents and Acknowledge Disclosure

(Part B is invalid unless Part A has been completed)

I, John G. Jones (Buyer's Name, Print) appoint Jack's Auto Sales (Dealership's Name, Print) as my attorney-in-fact, to execute all papers and documents necessary to transfer ownership of said motor vehicle and to sign the mileage disclosure on the title for the vehicle described above, only if the disclosure is exactly as the disclosure completed below.

John G. Jones (Signature of Buyer/Agent) John G. Jones (Printed Name) 9/5/00 (Date of Statement)

36 Hickory Circle, Laurel, DE 19936 (Buyer's Street Address, City, State, Zip Code)

Federal and State law requires that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

I, Jack's Auto Sales (Buyer's Name, Print) state that the odometer now reads 21200 (no tenths) miles.

and to the best of my knowledge that it reflects the actual mileage unless one of the following statements is checked:

- ☒ (1) The mileage stated is in excess of its mechanical limits.
☒ (2) I hereby certify that the odometer reading is NOT the actual mileage. **WARNING - ODOMETER DISCREPANCY.**

Terris Smith (Signature of Seller/Agent) Terris Smith (Printed Name) 9/5/00 (Date of Statement)

Jack's Auto Sales, 123 DMV Lane, Dover, DE 19901 (Dealership's Name, Street Address, City, State, Zip Code - Print or Type) 007 (Dealer Number)

PART C. Certification (To Be Completed When Parts A and B Have Been Used)

Terris Smith (Person Exercising Above Powers of Attorney, Print) hereby certify that the mileage I have disclosed on the title document is consistent with that provided to me in the above power of attorney. Further, upon examination of the title and any assignment documents for the vehicle described above, the mileage disclosure I have made on the title pursuant to the power of attorney is greater than that previously stated on the title and assignment documents. This certification is not intended to create, nor does it create any new or additional liability under Federal or State law.

Terris Smith (Signature) Terris Smith (Printed Name) Jack's Auto Sales (Dealership's Printed Name)

Jack's Auto Sales, 123 DMV Lane, Dover, DE 19901 (Dealership's Name, Street Address, City, State, Zip Code - Print or Type) 9/5/00 (Date of Certification)

536326

THE DOCUMENT IS VOID IF ALTERED
(SEE REVERSE SIDE OF LAST PAGE FOR INSTRUCTIONS)

SECT 1
DMV COPY

MO 226-0

2000 CONFIRMATION NO. 24 2/22/99-01/01

POWER OF ATTORNEY INSTRUCTIONS

GENERAL INSTRUCTIONS: When a dealer buys a motor vehicle from an owner and the title is physically held by a lienholder or has been lost and the owner does not wish to return to the dealership to complete the odometer disclosure statement and the title reassignment, this form must be completed and:

1. Section 1 (top copy of this form) must be returned to the State of Delaware, Division of Motor Vehicles along with the title when the vehicle is sold. In the event the vehicle is reassigned to another dealer or sold out-of-state, Section 1 and copy of the front and back of the title must be immediately returned to Division of Motor Vehicles. Section 3 will be supplied to the buyer along with Section 4 to be used when titling the vehicle in another state.
2. When vehicle is titled in two names, both sellers (Part A) or buyers (Part B) must sign the power of attorney to allow dealership to transfer the title as attorney-in-fact.
3. If the mileage disclosed on the power of attorney by seller on Part A of from is lower then the mileage appearing on title, the power of attorney is void and dealer shall not complete the mileage disclosure on the title.
4. Dealership must maintain a copy of all power or attorney forms for 5 years. (Section 5).
5. The form cannot be used when a dealer is holding a title as the lienholder and is the buying dealer.

Part A - Instructions

1. PART A authorizes transferee (buyer/dealer) to transfer the odometer disclosure made by transferor (seller) on this form to the vehicle title when it is received from lienholder or duplicate is received. PART A also appoints the dealership as attorney-in-fact to sign the seller's name to transfer the vehicle's title. PARTS B and C will not be used in this case.
2. Dealer must give seller a copy of this form. (Section 2).

Part B - Instructions

1. PART B is only used when vehicle is resold prior to receiving title from lienholder or receiving duplicate title.
2. The buyer authorizes seller/dealer to make odometer disclosure on title when it is received. Odometer disclosure made on the title must be exactly as odometer disclosure made in PART B of this form. PART B also appoints the dealership as attorney-in-fact to sign the buyer's name to transfer the vehicle's title.
3. Dealer must give buyer a copy of this form. (Section 3).

PART C - Instructions

1. PART C is only required when **both** PART A and B of this form have been used.
2. PART C is completed once title is received from lienholder or duplicate title is received. Person exercising power of attorney certifies that the title has been received and reviewed and no mileage discrepancies exist.

This form is federally mandated nationwide under the Truth in Mileage Act of 1986 (Public Law 99-579 and Title IV of the Pipeline Safety Reauthorization Act of 1988 (Public Law 100-561)).

DEALER RESPONSIBILITY

Delaware dealers will not allow a vehicle buyer to drive a vehicle off the lot until one of the following conditions are met.

- (1) Dealer checks buyer's insurance, issues a temporary tag and handles title work for Delaware buyer.
- (2) Buyer transfers the title in his name and shows the current title and registration to the dealer.
- (3) Buyer has a temporary tag issued by Division of Motor Vehicles or buyer has a verbal permit from the Division to take the vehicle directly to the Division for inspection and titling. Verbal Permit Numbers are:

Wilmington	(302) 434-3200
New Castle	(302) 326-5000
Dover	(302) 744-2500
Georgetown	(302) 853-1000

- (4) Dealer issues one temporary tag to an out-of-state buyer without handling the buyers title work. Proof of insurance must be witnessed.

Delaware Title 21, Section 2501, states "whenever the owner of a vehicle registered under this title transfers or assigns his title of interest thereto, the registration of such vehicle shall expire."

These procedures will prevent buyers from operating an unregistered and uninsured motor vehicle. The above procedures only apply to non-dealer buyers.

Dealers who purchase a vehicle from another dealer may move the vehicle by using dealer tags.

CATALYTIC CONVERTERS

LAW: Title 21, Section 2515, DEL. CODE

Section 2515: Sale of Motor Vehicles Lacking Catalytic Converters

- (a) No person shall sell a motor vehicle from which the catalytic converter has been removed without first advising the purchaser in writing and obtaining the purchaser's signature upon said notification that the catalytic converter is missing and that the vehicle may not pass inspection. It shall be a defense to any cause of action brought pursuant to this section if the motor vehicle was not required by federal laws or regulations to have a catalytic converter as part of its equipment.

(b) Any person who sells a motor vehicle in violation of this section shall make restitution to the purchaser in an amount reasonably necessary to pay for:

- (1) Parts and labor to replace the catalytic converter; and
- (2) All reasonable costs and attorneys' fees for bringing an action pursuant to this section.

NOTARY REQUIREMENTS

DISCONTINUANCE OF NOTARY PUBLIC'S SIGNATURE AND SEAL

There is no longer a requirement for a notary seal and notary's signature on Delaware title applications (Form MV-212A), title transfers, dealer re-assignment forms (Form MV-202B), duplicate title applications (Form MV-213) or lien releases on the face of title transfers. All signatures are now being entered with self-certification under penalty of perjury.

All other documents, which formerly had to be notarized are still required to be notarized (i.e., power of attorney, certificate of repossession and sale (recourse), survivor's form (Form MV-11)).

AUTHORIZED SIGNATURES FOR DEALERSHIP

Form MV26

(Sample attached)

When a dealer has a change in authorized personnel, Form MV26 must be completed and submitted to the Administration Office in Dover; or if an authorized employee leaves, use the same form to notify us to remove that name from our authorized signature files. When a new employee is added the Division must have their signature on Form MV-26, and the form must be notarized. It is very important that these records are kept current at all times.

The only persons authorized to sign for a duplicate dealer plate is an owner of a dealership, an officer of a corporation (if the business is a corporation) or anyone whose name appears on the dealer application, MV-29.

DELAWARE DIVISION OF MOTOR VEHICLES

SIGNATURE AUTHORIZATIONS

For Companies and Delaware Dealers

PLEASE COMPLETE THE FOLLOWING

I hereby authorize the following personnel to sign any motor vehicle certificate of title transaction for the Company or Delaware Dealer named below:

NAME(S) (Printed or Typed)

SIGNATURE(S)

CHANGE IN AUTHORIZED PERSONNEL:

Please remove the following name(s) from the list of authorized signatures (Print or Type):

Whenever you have a change in authorized personnel, notify the Dealer Registration Section, Division of Motor Vehicles, Administrative Office, by completing and returning this form to ensure our records are updated.

NAME OF COMPANY OR DEALERSHIP

Sworn and subscribed before
me this ____ day of _____
20____ .

SIGNATURE OF OWNER OR OFFICER

Notary Public

MV26

KEEPING OF RECORDS

LAW: Title 21, Section 6303. DEL. CODE

Section 6303. Record of Purchases and Sales; Evidence of Right to Possession of Vehicles.

- (1) The dealership office shall maintain and have adequate file cabinets to maintain records required by the Department. All dealer records regarding purchases, sales, transfers of ownership, collection of vehicle document fees, titling, registration fees, odometer disclosure statements, temporary license plates and records of dealer registration plates assigned to the dealer shall be maintained on the premises of the licensed location. All records shall be maintained for a minimum of five years. The Director may, on written request by a dealer, permit records to be maintained at a location other than the premises of the licensed location for good cause shown.
- (2) Every dealer shall have in its possession a certificate of title assigned to the dealership or other documentary evidence of the dealer's right to the possession of, and for, every motor vehicle in the dealership's possession or on the dealership premises.
- (3) During business hours, the records of the dealership shall be open to inspection by Department officials, any police officer or any duly authorized investigator at the Department of Justice while discharging their official duties.

FEDERAL TRADE COMMISSION (FTC) REGULATIONS ON SALE OF USED MOTOR VEHICLES

The FTC Used Car Rule affects how you do business. The following information is intended to help you understand how to comply with the Rule. It discusses the terms of the Used Car Rule, explains how to prepare the "Buyers Guide", and offers a compliance checklist. **This information has been extracted from the "Federal Trade Commission's Manual for Business".**

NOTE: In addition to Federal law, Delaware law also mandates a Federal Trade Commission Buyers Guide be properly completed and displayed on all used vehicles. Buyer(s) will be provided a copy of the guide prior to completion of the sale.

HOW TO COMPLY WITH THE USED CAR RULE

If you are a car dealer, the FTC's Used Car Rule affects how you do business. This information is intended to help you understand how to comply with the Rule. It discusses the terms of the Used Car Rule, explains how to prepare the "Buyers Guide," and offers a compliance checklist.

The Used Car Rule requires you to post a Buyers Guide in a side window of each used vehicle you offer for sale to consumers. The rule also requires you to include a specific disclosure about the Buyers Guide in the sales contract and to give the purchaser a copy of the Buyers Guide. If you conduct sales in Spanish, you must use Spanish language Buyers Guides.

Dealers who violate the Used Car Rule may be subject to penalties of up to \$10,000 per violation.

WHO Must Comply?

Car "dealers" must comply with the Rule. You are a dealer if you have sold or offered for sale more than five used vehicles within a twelve-month period. The following exceptions are listed in the Rule:

- banks and financial institutions;
- businesses who sell a vehicle to their employees; and
- lessors who sell a leased vehicle to a lessee, an employee of the lessee, or to a buyer found by the lessee.

WHEN Does the Rule Apply?

Before you, a dealer, offer a used vehicle for sale to a consumer, you must post in the vehicle's side window a Buyers Guide. A vehicle is offered for sale if you allow a customer to inspect the vehicle for the purpose of buying it. If you offer a vehicle for sale, even if it is not fully "prepped" for delivery, you must have a completed Buyers Guide posted on it. Also, before you offer to sell a used vehicle that you have on your lot through consignment, power of attorney, or other such agreement, you must display a Buyers Guide.

In addition, the Rule applies at auctions whenever a vehicle is offered for sale to a consumer. Both the Auction Company and dealers selling cars at the auction are responsible for complying. Auctions that are closed to consumers are not covered by the Rule.

WHO Is a Consumer?

A consumer is anyone who is not a dealer.

WHAT Is a Used Vehicle?

A vehicle is considered used if it has been driven more than the distance necessary for test-driving or delivery to a consumer. Therefore, "demonstrators" are used vehicles.

The Rule applies to any used motor vehicle that has all of the following specifications:

- a gross vehicle weight rating (GVWR) of less than 8,500 lbs.;
- a curb weight of less than 6,000 lbs.; and
- a frontal area of less than 46 sq. ft.

Automobiles and most light-duty vans and light-duty trucks fit these sizes. Generally, large trucks and recreational vehicles do not.

The Rule also does not apply to these types of vehicles:

- motorcycles;
- any vehicle that is sold for scrap or parts if the dealer submits title documents to the appropriate state authority and obtains a salvage title; and
- agricultural equipment.

WHERE Does the Rule Apply?

The Used Car Rule applies in all of the United States and the District of Columbia, except in Maine and Wisconsin, which have been granted exemptions by the Commission because of similar state regulations that require window sticker disclosures. The Rule also applies in Puerto Rico, Guam, the U.S. Virgin Islands, and American Samoa.

WHAT Is the Buyers Guide?

The Buyers Guide is the key requirement of the FTC's Used Car Rule and Delaware law. Its purpose is to provide important information to consumers, such as whether the car has any warranty coverage.

Buyers Guides, which you can purchase from business-form companies or trade associations, must use the standard wording, type style, type sizes, and format that are specified in the Rule. The Rule requires that the Buyers Guide be printed in 100% black ink on white stock that is at least 11 inches high and 7 1/4 inches wide. You may use a colored ink to fill in the blanks on the Buyers Guide.

State Law. There are two versions of the Buyers Guide. One version contains the heading, "As Is-No Warranty," and the other contains the heading, "Implied Warranties Only." If your state limits or prohibits you from selling a vehicle "as is," you must use the Buyers Guide with the "Implied Warranties Only" heading.

NOTE: Delaware dealers must use the "As Is-No Warranty" form. This form allows you to disclaim any warranties.

In some states, use of the "As Is-No Warranty" Buyers Guide may be sufficient legally to disclaim implied warranties. However, other states allow "as is" sales only if specific action is taken or certain language is used. For example, some states may require you to disclaim implied warranties by using special language and/or a document other than the FTC's Buyers Guide. Remember, use of the Buyers Guide and compliance with the Used Car Rule does not necessarily mean that you have satisfied your obligations under state law.

Spanish Language Sales. If you conduct a used car transaction in Spanish; you must post a Spanish language Buyers Guide on the vehicle prior to offering it for sale. If you want a Spanish language Buyers Guide, contact an FTC office listed on page 51.

WHERE To Post The Buyers Guide

You must post the Buyers Guide on the inside of a side window, with the front of the form facing the outside. You should firmly affix the Buyers Guide to a window with tape or light glue, or you may display the form inside a clear plastic sleeve, which holds the Buyers Guide on the inside of the side window. You are responsible for keeping the Buyers Guide posted at all times that a vehicle is available for sale to consumers. So, for example, a Buyers Guide that has fallen to the floor of a vehicle does not comply with the Rule. You may remove the Buyers Guide during a test drive, but you must return the form to the window as soon as the test drive is over.

HOW To Fill Out The Buyers Guide

(See pages 52-54 for samples of a buyer's guide). You must give vehicle and dealer information on every Buyers Guide. You also must state whether there is or is not a warranty and describe any warranty coverage you provide.

Vehicle Information.

At the top of the Buyers Guide, you must fill in the vehicle make, model, model year, and vehicle identification number (VIN). You may write in a dealer stock number if you wish.

Dealer Information.

On the back of the Buyers Guide you must fill in the name and address of your dealership and the name and telephone number of the person a consumer should contact for complaints about the vehicle. You may use a rubber stamp or have your Buyers Guides pre-printed with this information.

Warranty Information

As Is-No Warranty. If your state allows you to do so and you choose not to offer any warranty, written or implied, you may check the box next to the heading "As Is-No Warranty" on the Buyers Guide. **This is required in Delaware.**

Implied Warranties Only. In states that limit or prohibit the disclaimer of implied warranties, you are required to check the box next to the "Implied Warranties Only" heading if you do not offer a written warranty. **Do not use in Delaware.**

Warranty. If you offer the vehicle with an express warranty, you must check the box next to the heading "Warranty" and fill out the remaining portion of that section of the Buyers Guide. Warranties that are required by state law must be disclosed in this section. The office of the attorney general in your state can tell you about warranty requirements in your state.

Is the Warranty "Full" or "Limited"?

First check whether the warranty is "full" or "limited." A "full" warranty must meet all five of the following conditions.

- Warranty service must be provided to anyone who owns the vehicle during the warranty period.
- Warranty service must be provided free of charge, including such costs as returning the vehicle or removing and replacing a "covered" system when necessary.
- The consumer must be able to choose either a replacement or the purchase price of the car if, after a reasonable number of tries, the vehicle cannot be repaired.
- The consumer must not be required to take any action as a precondition for receiving service, except giving notice that service is needed, unless the warrantor can demonstrate that the required action is reasonable.
- The duration of implied warranties must not be limited.

If any one of these statements is not true, then the warranty is "limited."

What Percentage of Costs Does the Warranty Cover?

Fill in the percentage of parts and labor costs that the warranty covers in the spaces provided. If a deductible applies, put an asterisk by the number, like this- "100*" -and explain the deductible in the blanks under the "systems covered/duration" section. For example, "*A \$50.00 deductible applies to each repair visit" would appear.

What Systems are covered for What Duration?

The Buyers Guide has one column to list the systems covered and one column to list the duration of the warranty for each system. In the left-hand column, you must state specifically each system that is covered by the warranty. The Rule prohibits the use of shorthand phrases such as "drive train" or "power train" because it is not always clear what specific components are included within the definition of such terms.

In the right-hand "duration" column, you must state how long the warranty last for each warranted system. If all systems are warranted for the same length of time, you may state the duration only once.

What if the Manufacturer's Warranty Has Not Expired?

If a manufacturer's warranty on the vehicle has not expired, you may disclose this fact by checking the "Warranty" box and including in the "systems covered/duration" section this disclosure:

MANUFACTURER'S WARRANTY STILL APPLIES. The manufacturer's original warranty has not expired on the vehicle. Consult the manufacturer's warranty booklet for details as to warranty coverage, service location, etc.

However, if the consumer must pay a fee to obtain coverage under the manufacturer's warranty, then you may not check the "Warranty" box. This coverage is considered a service contract. On the other hand, if you absorb the cost of the fee to the manufacturer, and the consumer does not have to pay anything in addition to the price of the vehicle to obtain the coverage, you may check the "Warranty" box. If you provide a warranty in addition to the un-expired manufacturer's warranty, you should explain the terms of your warranty on the Buyers Guide.

Where Should Negotiated Warranty Changes Be Included?

If during negotiations with the consumer, you agree to make changes in the warranty coverage, you must change the Buyers Guide to reflect those changes. For example, if you initially offer to cover 50% of the cost of parts and labor for certain repairs, but after negotiating with the customer you agree to provide 100% of the cost of parts and labor, you must cross out the "50%" disclosure and write in "100%". Similarly, if you first offer the vehicle "as is" but then agree to provide a warranty, you must cross out the "As Is-No Warranty" disclosure and properly complete the "Warranty" section of the Buyers Guide.

What About Service Contracts?

If you offer your customers a service contract for repair coverage, check the box next to the words "Service Contract." However, if your state regulates service contracts as the "business of insurance," you do not have to check this box. To find out if your state regulates service contracts as the business of insurance, check with your state insurance regulator (it should be listed in your telephone directory) or your attorney.

WHAT Are The Other Federal Warranty Requirements?

If you offer a written warranty on your used vehicles, or if the manufacturer's warranty still applies, you also must comply with the Magnuson-Moss Warranty Act and other FTC rules, including the "Warranty Disclosure Rule." The Warranty Act prohibits you from disclaiming implied warranties when you provide a written warranty. In addition, it requires that you identify your warranty as either "full" or "limited." The Warranty Disclosure Rule requires that your warranty be clear, easy to read, and contain certain specified information about the coverage of the warranty. Two publications are available to assist you in complying with these and other federal regulations governing warranties. "A Businessperson's Guide to Federal Warranty Law," GPO Order #018-000-00324-4, for \$1.50, is available from the Superintendent of Documents, Washington, D.C. 20402. "A Legal Supplement to Federal Warranty Law" is available free from Public Reference, Federal Trade Commission, Washington, D.C. 20580.

COMPLIANCE CHECKLIST

Use this checklist to make sure you are in compliance with the major requirements of the Used Car Rule.

- Properly complete a Buyers Guide for each used vehicle offered for sale.
- Post the Buyers Guide for each used vehicle offered for sale.
- Put this required disclosure in your sales contract:

“The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.”

- Give the vehicle's Buyers Guide or a copy to the purchaser at the time of sale, and make sure it accurately states the final negotiated warranty coverage.
- Use a Spanish language Buyers Guide if the sale is conducted in Spanish.

WHERE Do I Go For More Information?

If you have questions about the Used Car Rule, call or write the Federal Trade Commission at its headquarters. You may request a free copy of the Rule or the staff's compliance guidelines for the Used Car Rule, which discuss some aspects of the Rule in more detail.

Federal Trade Commission Headquarters:

Federal Trade Commission
Sixth Street & Pennsylvania Avenue, N.W.
Washington, DC 20580
(202) 326-2222

BUYERS GUIDE

Important: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

Vehicle Make	Model	Year	Vehicle Identification
Dealer Stock Number (Optional)			

WARRANTIES FOR THIS VEHICLE:

☐ IMPLIED WARRANTIES

This means that the dealer does not make any specific promises to fix things that need repair when you buy the vehicle or after the time of sale. But, state law "implied warranties" may give you some rights to have the dealer take care of serious problems that were not apparent when you bought the vehicle.

☐ WARRANTY

☐ FULL

The dealer will pay _____% of the labor and _____% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligations. Under the state law, "implied warranties" may give you even more rights.

☐ LIMITED WARRANTY

Systems Covered:

Duration:

- ☐ **SERVICE CONTRACT.** A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of the time of sale, state law "implied warranties" may give you additional rights.

PRE PURCHASE INSPECTION: ASK THE DEALER IF YOU MAY HAVE THIS VEHICLE INSPECTED BY YOUR MECHANIC EITHER ON OR OFF THE LOT.

SEE THE BACK OF THE THIS FORM for important additional information, including a list of some major defects that may occur in used motor vehicles.

BUYERS GUIDE

Important: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

Vehicle Make	Model	Year	Vehicle Identification
Dealer Stock Number (Optional)			

WARRANTIES FOR THIS VEHICLE:

☐ AS IS-NO WARRANTY

YOU WILL PAY ALL COSTS FOR ANY REPAIRS. The dealer assumes no responsibility for any repairs regardless of any oral statements about the vehicle.

☐ WARRANTY

☐ FULL

The dealer will pay _____% of the labor and _____% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligations. Under the state law, "implied warranties" may give you even more rights.

☐ LIMITED WARRANTY

Systems Covered:

Duration:

- ☐ **SERVICE CONTRACT.** A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of the time of sale, state law "implied warranties" may give you additional rights.

PRE PURCHASE INSPECTION: ASK THE DEALER IF YOU MAY HAVE THIS VEHICLE INSPECTED BY YOUR MECHANIC EITHER ON OR OFF THE LOT.

SEE THE BACK OF THE THIS FORM for important additional information, including a list of some major defects that may occur in used motor vehicles.

Below is a list of some major defects that may occur in used motor vehicle.

Frame & Body

Frame-cracks, corrective welds, or rusted through
Dogtracks – bent or twisted frame

Engine

Oil leakage, excluding normal seepage
Cracked block or head
Belts missing or inoperable
Knocks or misses related to camshaft lifters and
Push rods
Abnormal exhaust discharge

Transmission & Drive Shaft

Improper fluid level or leakage, excluding normal
Normal seepage
Cracked or damaged case which is visible
Abnormal noise or vibration caused by faulty transmission
Or drive shift
Improper shifting or functioning in any gear
Manual clutch slips or chatters

Differential

Improper fluid level or leakage excluding normal seepage
Cracked or damaged housing, which is visible
Abnormal noise or vibration caused by faulty differential

Cooling System

Leakage including radiator
Improperly functioning water pump

Electrical System

Battery leakage
Improperly functioning alternator, generator, battery or
Starter

Fuel System

Visible leakage

Inoperable Accessories

Gauges or warning devices
Air conditioner
Heater & Defroster

Brake System

Failure warning light brown
Pedal not firm under pressure (DOT spec.)
Not enough pedal reserve (DOT spec.)
Does not stop vehicle in straight line (DOT spec)
Hoses damaged
Drum or roter too thin (Mfgr. Specs.)
Lining or pad thickness less than 1/32 inch
Power unit not operating or leaking
Structural or mechanical parts damaged

Steering System

Too much free play at steering wheel (DOT Spec)
Free play in linkage more than ¼ inch
Steering gear binds or jams
Front wheels aligned improperly (DOT Spec)
Power unit belts cracked or slipping
Power unit fluid level improper

Suspension

Ball joint seals damaged
Structural parts bent or damaged
Stabilizer bar disconnected
Spring broken
Shock absorber mounting loose
Radius rod damaged or missing
Rubber bushings damaged or missing
Shock absorber leaking or functioning improperly

Tires

Tread depth less than 2/32 inch
Sizes mismatched
Visible damage

Wheels

Visible cracks, damage or repairs
Mounting bolts loose or missing

Exhaust System

Leakage

DEALER

ADDRESS

SEE FOR COMPLAINTS

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS BUYERS GUIDE.

X

CUSTOMER SIGNATURE

DATE

IMPORTANT: The information on this form is part of any contract to buy this vehicle. Removal of this label before

consumer purchase (except for purpose of test-driving) is a violation of federal law (16 C.F.R. 455).

NOTIFICATION OF USED VEHICLE RECEIVED (MV60 FORMS)

LAW: Title 21, Section 2510 (f), DEL. CODE
(Sample attached)

Whenever a dealer purchases or otherwise acquires a previously registered vehicle, the dealer shall immediately notify the Department, giving the name of the former owner and a sufficient description of the vehicle to identify it.

The Motor Vehicle Division at no cost furnishes MV60 forms to the dealer. Dealer ID numbers must be entered on all MV-60's and must be immediately submitted on every vehicle purchased by or traded to the dealer.

MV60 forms must be mailed to the following address:

**DIVISION OF MOTOR VEHICLES
ATTN: REGISTRATION SECTION
P.O. BOX 698
DOVER, DELAWARE 19903**

MV560 FORMS VEHICLES SOLD ON CONSIGNMENT

(Sample attached)

All Motor Vehicle Dealers who sell vehicles on consignment are required to retain a completed, signed MV560 form on file as long as they have that vehicle in their possession. These forms may be obtained from any of the Delaware Motor Vehicle offices. In addition, a consignment contract must be maintained. See page 25 for consignment contract mandatory requirements.

STATE OF DELAWARE
MOTOR VEHICLE DIVISION
P.O. BOX 698
ATTN: REGISTRATION SECTION
DOVER, DELAWARE 19903

DEALER'S NOTIFICATION OF USED VEHICLE RECEIVED

This form to be completed by the Dealer and returned to the Motor Vehicle Division within twenty-four (24) hours after receipt of all registered vehicles. (See Title 21, Section 2510 (l)).

This is notification to the Motor Vehicle Division that Jack's Auto Sales
Dealer

Received from Cheryal A. Roe
Last Titled Owners

Address 123 Testing St Magnolia DE
Street Town or City State

On this 31st Day of August, 2000, the following described vehicle

1987 Ford 969696
Make and Year Registration Number

21,200 PK 12345678901234567
Odometer Reading at Body Style Vehicle Identification
time dealer acquired
vehicle.

Jack's Auto Sales 007
Name of Dealership Dealer ID No.

Signature of dealer employee

Secretary
Position with the Firm



STATE OF DELAWARE
DIVISION OF MOTOR VEHICLES
DEALER CONSIGNMENT VEHICLE CONTRACT

Delaware Law Title 21, Section 6306, requires any motor vehicle dealer offering a vehicle for sale on consignment to have, in their possession, a consignment contract for the vehicle and to notify a prospective customer that the vehicle is being sold on consignment. The contract must be executed and signed by the dealer and the consignor. This contract may be used by dealers to comply with their obligation under the law.

This is certification that:

I/We John Q. &/or Jill H. Jones
Name(s) of Titled Owner(s)

Address 56 Hickory Circle Smyrna De 19977
Street City State Zip

give permission to Jack's Auto Sales 007
Name of Dealer Dealer No.

Dealer Address 123 DMV Lane Dover De 19901
Street City State Zip

to sell the following vehicle for me/us:

<u>1987 Ford</u>	<u>F-150</u>	<u>PK</u>	<u>21,200 B</u>
Make & Year	Model	Body Style	Odometer Reading at Time of Receipt of Vehicle
<u>1234</u>	<u>12345678901234567</u>	Vehicle Insured YES <input type="checkbox"/> NO <input type="checkbox"/>	
Title or Tag Number	Vehicle Identification Number		

This contract is valid for the following period: 6/5/2000

to 11/30/2000. The owner(s) of the vehicle is/are to receive the

following net amount or percentage of the sales amount if the vehicle is sold: 80%.
Amount or Percentage of Selling Price

The vehicle currently has the following unsatisfied lien (if none, so state:) None _____

The certificate of title to the vehicle is currently held by John Q. &/or Jill H. Jones
Name of Individual or Company

at the following address: 56 Hickory Circle, Smyrna, De 19977

Signature of Titled Owner

Date

Signature of Titled Owner

Date

Signature of Authorized Dealer Personnel

Date

WARNING Dealer license plates shall not be used on a consignment vehicle.

DEALER HANDLING FEES

DMV recognizes your right to charge an administrative fee for title work, etc. These charges must be listed on all paper work as service charges or administrative fees. Do not list charges such as: temporary tags, \$20.00; title, \$50.00; etc. List DMV's actual charges for an item and list your charges under administrative fees or service charge.

LAW: Title 21, Section 3004, DEL. CODE

Section 3004. Motor Vehicle Dealer Handling Fee and Payments.

- (a) Every motor vehicle dealer shall pay a handling fee of two dollars (\$2.00) on the sale of every new or used motor vehicle, trailer, truck tractor or motorcycle sold the owner thereof. The handling fee shall be paid in quarterly installments payable to the State Tax Department on or before the first day of each of the months of November, February, May and August of each year for the next preceding three month period ending on the last day of the months of September, December, March and June of each year.

The motor vehicle dealer-handling fee shall not be imposed on the sale, transfer, or registration of motor vehicles, trailers or motorcycles, which are transferred or sold for the purpose of resale.

- (b) The State Tax Department shall prescribe the form of the returns necessary for the payment of the handling fee in such manner as it may deem necessary for the proper administration of this chapter.

NOTE: DO NOT PAY THIS FEE TO THE MOTOR VEHICLE DIVISION

The Motor Vehicle Division works with the Division of Revenue in verifying those dealers who pay the handling fees. Failure to pay these handling fees as required by law will result in the suspension of your dealership by the Motor Vehicle Division. Contact Division of Revenue for more information on the handling fees.

Locations of the Division of Revenue Office:

New Castle County

Div. of Revenue
Carvel Office Bldg.
820 N. French Street
Wilmington, DE 19801
Phone: (302) 577-3300

Kent County

Div. of Revenue
Thomas Collins Bldg
540 S. Dupont Hwy. Georgetown, DE 19947
Suite A
Dover, DE 19901
Phone: (302) 744-1085

Sussex County

Div. of Revenue
422 N. Dupont Hwy.
Phone: (302) 856-5358

OR - TOLL FREE - 1-800-292-7826 (in Delaware only)

DEALER BUSINESS LICENSE

LAW: Title 21, Section 3005, DEL. CODE

Section 3005. Motor Vehicle Dealer License Fee.

Every motor vehicle dealer shall pay an annual license fee of \$100.00 to the State Tax Department.

Each dealership is required to renew their dealer business license each year with the Division of Revenue for a fee of \$100.00. This license must be displayed at the place of business. Failure to pay this fee will result in the suspension of your dealership by the Motor Vehicle Division and could result in fines imposed by the Division of Revenue. Contact Division of Revenue for more information on the business license.

NOTE: WHOLESALE DEALER MUST PURCHASE AN ADDITIONAL LICENSE FOR THE AMOUNT OF \$75.00.

ODOMETER LAWS

LAW: Title 21, Chapter 64, Section 6401, DEL. CODE

Section 6401. Purpose

The General Assembly hereby finds that purchasers when buying motor vehicles, rely heavily on the odometer reading as an index of the condition and value of such vehicle; that purchasers are entitled to rely on the odometer reading as an accurate reflection of the mileage actually traveled by the vehicle; that an accurate indication of the mileage traveled by a motor vehicle assists the purchasers in determining its safety and reliability; and that motor vehicles move in the current of interstate and foreign commerce or affect such commerce. It is therefore the purpose of this Chapter to prohibit tampering with odometers on motor vehicles and to establish certain safeguards for the protection of purchasers with respect to the sale of motor vehicles having altered or reset odometers.

LAW: Title 21, Section 6402, DEL. CODE

Section 6402. Definitions

As used in this chapter:

- (1) **"Dealer" or "dealership"** means any person, corporation, partnership or limited partnership who has sold 5 or more motor vehicles within the 12 months preceding the date of a violation of this chapter.
- (2) **"Odometer"** means an instrument for measuring and recording the actual distance a motor vehicle travels while in operation; but shall not include any auxiliary odometer designed to be reset by the operator of the motor vehicle for the purpose of recording mileage on trips.
- (3) **"Repair and replacement"** means to restore to a sound working condition by replacing the odometer or any part thereof by correcting what is inoperative.
- (4) **"Transfer"** means to change ownership of a motor vehicle by purchase, gift or any other means.
- (5) **"Lessee"** means any person, or the agent for any person, who has leased for a term of at least 4 months.
- (6) **"Lessor"** means any person, or the agent for any person, who has leased 5 or more motor vehicles in the past 12 months.
- (7) **"Mileage"** means actual distance that a vehicle has traveled.

- (8) **"Secure printing process or other secure process"** means any process which deters and detects counterfeiting and/or unauthorized reproduction and allows alterations to be visible to the naked eye.
- (9) **"Transferee"** means any person to whom ownership in a motor vehicle is transferred by purchase, gift, or other means other than by creation of a security interest, and any person who, as agent, signs an odometer disclosure statement for the transferee.
- (10) **"Transferor"** means any person who transfers his/her ownership of a motor vehicle by sales, gift, or any means other than by creation of a security interest, and any person who, as agent, signs an odometer disclosure statement for the transferor."

LAW: Title 21, Section 6403, DEL. CODE

Section 6403. Unlawful Devices.

No person shall advertise for sale, sell, use or install or cause to be installed, any device, which causes an odometer to register any mileage other than, the true mileage traveled by a motor vehicle. For purposes of this section, the true mileage traveled by a motor vehicle is that mileage traveled by a motor vehicle as registered by the odometer within the manufacturer's designed tolerance.

LAW: Title 21, Section 6404, DEL. CODE

Section 6404. Unlawful Change of Mileage

- (a) Unless otherwise provided in Section 6406 of this title, no person shall disconnect, reset or alter or cause to be disconnected, reset or altered, the odometer of any motor vehicle.
- (b) Unless otherwise provided in Section 6406 of this title, no person shall disconnect, reset or alter or cause to be disconnected, reset or altered, the odometer of any motor vehicle with intent to change the number of miles indicated thereon.

LAW: Title 21, Section 6405, DEL. CODE

Section 6405. Possession With Intent to Defraud.

No person shall, with intent to defraud, possess a motor vehicle knowing that the odometer of such vehicle is disconnected or nonfunctional.

LAW: Title 21, Section 6406, DEL. CODE

Section 6406. Lawful Service, Repair, or Replacement.

- (a) Nothing in this chapter shall prevent the service; repair or replacement of an odometer, provided the mileage indicated thereon remains the same as before the service, repair or replacement. Where the odometer is incapable of registering the same mileage as before such service, repair or replacement, the odometer shall be adjusted to read zero and a notice in writing shall be attached to the left door frame of the vehicle by the owner or his agent specifying the mileage prior to repair or replacement of the odometer and the date on which it was repaired or replaced.
- (b)
 - (1) No person shall fail to adjust an odometer or affix a notice regarding such adjustment as required pursuant to subsection (a) of this section.
 - (2) No person shall, with intent to defraud, remove or alter any notice affixed to a motor vehicle pursuant to subsection (a) of this section.

LAW: Title 21, Section 6407, DEL. CODE

Section 6407. Disclosure of Odometer Information.

- (a) Each Delaware title, at the time it is issued to the transferee, must contain the mileage disclosed by the transferor when ownership of the vehicle was transferred and contain a space for the information required to be disclosed under subsection (c), (d), (e) and (f) of this section at the time of any future transfer.
- (b) Any documents which are used to reassign a title shall contain a space for the information required to be disclosed under subsections (c), (d), (e) and (f) of this section at the time of transfer of ownership.
- (c) In connection with the transfer of ownership of a motor vehicle, each transferor shall disclose the mileage to the transferee in writing on the title or on the document being used to reassign the title. The transferor, including his/her printed name, must sign this written disclosure. In connection with the transfer of ownership of a motor vehicle
In which more than one person is a transferor, only one transferor need Sign the written disclosure.

In addition to the signature and printed name of the transferor, the written disclosure must contain the following information:

- (1) The odometer reading at the time of transfer (not to include tenths of miles);
 - (2) The date of transfer;
 - (3) The transferor's name and current address;
 - (4) The transferee's name and current address;
 - (5) The identity of the vehicle, including its make, model, year and body type, and its vehicle identification number.
- (d) In addition to the information provided under subsection (c) of this section, the statement shall refer to the Federal law and shall state that failing to complete or providing false information may result in a fine and/or imprisonment. Reference may also be made to applicable State Law.
- (e) In addition to the information provided under subsection (c) and (d) of this section.
- (1) The transferor shall certify that to the best of his/her knowledge the odometer reading reflects the actual mileage, or;
 - (2) If the transferor knows that the odometer reading reflects a total mileage in excess of the designed mechanical odometer limit, he/she shall include a statement to that effect; or
 - (3) If the transferor knows that the odometer reading otherwise differs from the actual mileage and that the difference is greater than that caused by odometer calibration error, he/she shall include a statement that the odometer reading does not reflect the actual mileage, and should not be relied upon. This statement shall also include a warning notice to alert the transferee that a discrepancy exists between the odometer reading and actual mileage.
- (f) The transferee shall sign the disclosure statement, print his name, and return a copy to the transferor.
- (g) If the vehicle has not been titled or if the title does not contain a space for the information required, the written disclosure shall be executed as a separate document.

- (h) No person shall sign an odometer disclosure statement as both the transferor and the transferee in the same transaction, unless permitted by Section 6410 and 6411 of this Chapter.

RECORD RETENTION FOR ODOMETER STATEMENTS

The Regulation requires that the dealer's record keeping system be organized so there is a systematic method of retrieval for such Odometer Disclosure Statements.

Effective April 15, 1978, no application for Delaware certificate of title (Form MV-212A), certificate of origin, transfer of Delaware title, reassignment form (Form MV-202B) or title from another state will be processed by the Division of Motor Vehicles unless the odometer statement is completed by the seller in all indicated spaces. The dealer must complete the information if a reassignment is taking place.

These entries are required by the Division of Motor Vehicles in addition to the Federal Odometer Disclosure Statements and are required to be retained by the dealer for five (5) years.

These requirements also apply to Delaware titles being transferred out of state by dealers (including wholesalers).

LAW: Title 21, Section 6408, DEL. CODE

Section 6408. Exemptions.

Notwithstanding the requirements of Section 6407 the following vehicles are not mandated to make an odometer disclosure:

- (1) A vehicle having a gross vehicle weight rating (GVWR) of more than 16,000 pounds;
- (2) A vehicle that is ten (10) years old or older (Formula is current calendar year minus ten. Example: 2000 – 10 = 1990 or older vehicles are not mandated to make a disclosure;)
- (3) Vehicles that are not self-propelled (trailers, mobile homes, etc.)

NOTE: A vehicle owner may make a mileage disclosure even if their vehicle is exempted. The Division will accept the disclosure as long as the old title does not have the odometer brand “mileage disclosure not required.”

LAW: Title 21, Section 6409, DEL. CODE

Section 6409. Disclosure of Odometer Information for Leased Motor Vehicles.

- (a) Before executing any transfer of ownership document, each lessor of a leased motor vehicle shall notify the lessee in writing that the lessee is required to provide a written disclosure to the lessor regarding the mileage. This notice shall contain a reference to the Federal law and shall state that failing to complete or providing false information may result in a fine and/or imprisonment. Reference may also be made to applicable State law.
- (b) In connection with the transfer of ownership of a leased motor vehicle, the lessee shall furnish to the lessor a written statement regarding the mileage of the vehicle. This statement must be signed by the lessee and, in addition to the information required by subsection (a) of this section, shall contain the following information:
 - (1) The printed name of the person making the disclosure;
 - (2) The current odometer reading (not to include tenths of miles);
 - (3) The date of the statement;
 - (4) The lessee's name and current address;
 - (5) The lessor's name and current address;
 - (6) The identity of the vehicle, including its make, model, year, and body type, and its vehicle identification number;
 - (7) The date that the lessor notified the lessee of the disclosure requirements;
 - (8) The date that the completed disclosure statement was received by the lessor; and
 - (9) The signature of the lessor.
- (c) In addition to the information provided under subsection (a) and (b) of this section:
 - (1) The lessee shall certify that to the best of his knowledge the odometer reading reflects the actual mileage; or

- (2) If the lessee knows that the odometer reading reflects a total mileage in excess of the designed mechanical odometer limit, he shall include a statement to that effect; or
 - (3) If the lessee knows that the odometer reading otherwise differs from the actual mileage and that the difference is greater than that caused by odometer calibration error, he shall include a statement that the odometer reading is not the actual mileage and should not be relied upon.
- (d) If the lessor transfers the leased vehicle without obtaining possession of it, the lessor may indicate on the title the mileage disclosed by the lessee does not reflect the actual mileage of the vehicle.

DISCLOSURE OF ODOMETER INFORMATION FOR REPOSSESSED AND SEIZED MOTOR VEHICLES

The National Highway Traffic Safety Administration has ruled that when a lending institution that retains title in satisfaction of a lien repossesses a vehicle, such repossession does not constitute a transfer of ownership. The lending institution is merely protecting a pre-existing interest in the vehicle. In such situations, the lending institution is not required to obtain a disclosure from the registered owner. However, when the lending institution sells the vehicle, it must make the required odometer disclosure statement to its buyer.

In cases of vehicles seized under state law, it is typically impossible to obtain an odometer disclosure statement from the person listed as the registered owner of the vehicle at the time of the seizure. However, the inability to obtain this disclosure does not relieve a law enforcement agency that seizes and sells or auctions a motor vehicle of the requirement to make an odometer disclosure.

In both cases of repossession and seizure, sellers **may not** routinely certify that the odometer reading is not the actual mileage traveled by the vehicle, simply because they cannot attest to its accuracy. The certification portion of the disclosure statement asks the transferor to certify that, to the best of the transferor's knowledge, the odometer reading reflects the actual mileage. If the transferor has no independent reason to believe that the odometer reading is not the actual mileage, the transferor should certify the odometer reading reflects the actual mileage.

LAW: Title 21, Section 6410, DEL. CODE

Section 6410. Disclosure of Odometer Information by Power of Attorney.

- (a) If the transferor's title is physically held by a lienholder, or if the transferor to whom the title was issued by the State has lost his title and the transferee obtains a duplicate title on behalf of the transferor, and if otherwise permitted by State law, the transferor may give a power of attorney to his transferee for the purpose of mileage disclosure. The power of attorney shall be on a form issued by the State to the transferee that is set forth by means of a secure printing process or other secure process, and shall contain in part A, a space for the information required to be disclosed under paragraphs (b), (c), (d), and (e) of this section. If a State permits the use of a power of attorney in the situation described in Section 6411(a) of this Chapter, the form must also contain, in part B, a space for the information required to be disclosed under Section 6411 of this Chapter, and,, in part C, a space for the certification required to be made under Section 6412 of this Chapter.
- (b) In connection with the transfer of ownership of a motor vehicle, each transferor to whom a title was issued by the State whose title is physically held by a lienholder or whose title has been lost, and who elects to give his transferee a power of attorney for the purpose of mileage disclosure, must appoint the transferee his attorney-in-fact for the purpose of mileage disclosure and disclose the mileage on the power of attorney from issued by the State. This written disclosure must be signed by the transferor, including the printed name, and contain the following information:
 - (1) The odometer reading at the time of transfer (not to include tenths of miles);
 - (2) The date of transfer;
 - (3) The transferor's name and current address;
 - (4) The transferee's name and current address; and
 - (5) The identity of the vehicle, including its make, model year, body type and vehicle identification number.
- (c) In addition to the information provided under paragraph (b) of this section, the power of attorney form shall refer to the Federal Odometer Law and state that providing false information or the failure of the person granted the power of attorney to submit the form to the State may result in a fine and/or imprisonment. Reference may also be made to applicable State law.

- (d) In addition to the information provided under paragraphs (b) and (c) of this section:
- (1) The transferor shall certify that to the best of his knowledge the odometer reading reflects the actual mileage; or
 - (2) If the transferor knows that the odometer reading reflects mileage in excess of the designed mechanical odometer limit, he shall include a statement to that effect; or
 - (3) If the transferor knows that the odometer reading differs from the mileage and the difference is greater than that caused by a calibration error, he shall include a statement the odometer reading does not reflect the actual mileage and should not be relied upon. This statement shall also include a warning notice to alert the transferee that a discrepancy exists between the odometer reading and the actual mileage.
- (e) The transferee shall sign the power of attorney form, print his/her name, and return a copy of the power of attorney form to the transferor.
- (f)** Upon receipt of the transferor's title, the transferee shall complete the space for mileage disclosure on the title exactly as the transferor on the power of attorney form disclosed the mileage. The transferee shall submit Section 1 of the power of attorney form to the State that issued it, with the application for new title and the transferor's title. If the vehicle is sold out-of-state or reassigned to another dealer, a copy of the front and back of the title must be made after the dealership completes the disclosure. This copy of the title and Section 1 of the odometer power of attorney must be returned to the Delaware Division of Motor Vehicles. If the mileage disclosed on the power of attorney form is lower than the mileage appearing on the title, the power of attorney is void and the dealer shall not complete the mileage disclosure on the title.

LAW: Title 21, Section 6411, DEL. CODE

Section 6411. Power of Attorney to Review Title Documents and Acknowledge Disclosure.

- (a) In circumstances where part A of a secure power of attorney form has been used pursuant to Section 6410 of this Chapter, and if otherwise permitted by State law, a transferee may give a power of attorney to his transferor to review the title and any reassignment documents for mileage discrepancies, and if no discrepancies are found, to acknowledge disclosure on the title. The power of attorney shall be on part B of the form referred to in Section 6410(a) of this Chapter, which shall contain a space for the information required to be disclosed under paragraphs (b), (c), (d), and (e) of this section and, in part C, a space for the certification required to be made under Section 6412 of this Chapter.
- (b) The power of attorney must include a mileage disclosure from the transferor to the transferee and must be signed by the transferor, including the printed name, and contain the following information:
 - (1) The odometer reading at the time of transfer (not to include tenths of miles);
 - (2) The date of transfer;
 - (3) The transferor's name and current address; and
 - (4) The transferee's name and current address; and
 - (5) The identity of the vehicle, including its make, model year, body type and vehicle identification number.
- (c) In addition to the information provided under paragraph (b) of this section, the power of attorney form shall refer to the Federal Odometer Law and state that providing false information or the failure of the person granted the power of attorney to submit the form to the State may result in a fine and/or imprisonment. Reference may also be made to applicable State law.
- (d) In addition to the information provided under paragraphs (b) and (c) of this section:
 - (1) The transferor shall certify that to the best of his knowledge the odometer reading reflects the actual mileage;

- (2) If the transferor knows that the odometer reading reflects mileage in excess of the designed mechanical odometer limit, he shall include a statement to that effect; or
 - (3) If the transferor knows that the odometer reading differs from the mileage and the difference is greater than that caused by a calibration error, he shall include a statement that the odometer reading does not reflect the actual mileage and should not be relied upon. This statement shall also include a warning notice to alert the transferee that a discrepancy exists between the odometer reading and the actual mileage.
- (e) The transferee shall sign the power of attorney form, and print his name.
 - (f) The transferor shall give a copy of the power of attorney form to his transferee.

LAW: Title 21, Section 6412, DEL. CODE

Section 6412. Certification by Person Exercising Powers of Attorney.

- (a) A person who exercises a power of attorney under both §6410 and §6411 must complete a certification that he has disclosed on the title document the mileage as it was provided to him on the power of attorney form, and that upon examination of the title and any reassignment documents, the mileage disclosure he has made on the title pursuant to the power of attorney is greater than that previously stated on the title and reassignment documents. This certification shall be under part C of the same form as the powers of attorney executed under Section 6410 and Section 6411 and shall include:
 - (1) The signature and printed name of the person exercising the power of attorney;
 - (2) The address of the person exercising the power of attorney; and
 - (3) The date of the certification.
- (b) If the mileage reflected by the transferor on the power of attorney is less than the previously stated on the title and any reassignment documents, the power of attorney shall be void.

LAW: Title 21, Section 6413, DEL. CODE

Section 6413. Access of Transferee to Prior Title and Power of Attorney Documents.

- (a) In circumstances in which a power of attorney has been used pursuant to Section 6410 of this Chapter, if a subsequent transferee elects to return to his transferor to sign the disclosure on the title when the transferor obtains the title and does not give his transferor a power of attorney to review the title and reassignment documents, upon the transferee's request, the transferor shall show to the transferee a copy of the power of attorney that he received from his transferor.
- (b) Upon request of a purchaser, a transferor who was granted a power of attorney by his transferor and who holds the title to the vehicle in his own name, must show to the purchaser the copy of the previous owner's title and the power of attorney form.

LAW: Title 21, Section 6414, DEL. CODE

Section 6414. Odometer Disclosure Statement Retention.

- (a) Dealers and distributors of motor vehicles who are required by this chapter to execute and odometer disclosure statement shall retain for five years a photostat, carbon or other facsimile copy of each odometer mileage statement which they issue and receive. All odometer disclosure statements shall be retained at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.
- (b) Lessors shall retain each odometer disclosure statement, which they receive from a lessee for a period of five years following the date they transfer ownership of the leased vehicle. All odometer disclosure statements shall be retained at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.
- (c) Dealers and distributors of motor vehicles who are granted a power of attorney by their transferor pursuant to Section 6410, or by their transferee pursuant to Section 6411 shall retain for five years a photostat, carbon, or other facsimile copy of each power of attorney that they receive. They shall retain all powers of attorney at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

LAW: Title 21, Section 6415, DEL. CODE

Section 6415. Odometer Record Retention for Auction Companies.

Each auction company shall establish and retain at its primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval, for five years following the date of sale of each motor vehicle, the following records:

- (a) The name of the most recent owner (other than the auction company);
- (b) The name of the buyer;
- (c) The vehicle identification number; and
- (d) The odometer reading on the date, which the auction company took possession of the motor vehicle.

LAW: Title 21, Section 6416, DEL. CODE

Section 6416. Security of Title Documents.

Each title shall be set forth by means of a secure printing process or other secure process. In addition, a secure process shall set any other documents, which are used to reassign the title, forth.

LAW: Title 21, Section 6417, DEL. CODE

Section 6417. Review of Disclosure Statements.

- (a) All disclosure statements and motor vehicles in the possession of a dealer shall be made available for review upon demand by the Division of Motor Vehicles or by its authorized agents.
- (b) The Secretary shall have the authority to promulgate regulations for administering this chapter.

Each dealer of a motor vehicle shall retain for 5 years each Odometer Mileage Statement that he receives. He shall also retain for 5 years a photostat, carbon or other facsimile copy of each Odometer Mileage Statement that he issues. All mileage statements shall be retained at the dealer's primary place of business.

LAW: Title 21, Section 6418, DEL. CODE

Section 6418. Responsibilities of Motor Vehicle Dealers.

- (a) No motor vehicle dealer, licensed in accordance with this title and Title 30 shall purchase or accept any motor vehicle unless the seller has indicated the mileage on a disclosure statement pursuant to this chapter.
- (b) No licensed motor vehicle dealer shall have in his possession as inventory for sale any used motor vehicle for which he does not have in his possession the disclosure statement required under this chapter.
- (c) A licensed motor vehicle dealer reassigning or transferring a certificate of ownership shall not be guilty of a violation of this section if such dealer has in his possession the disclosure statement as required by this chapter and if he has no knowledge that the statement is false and that the odometer does not reflect the vehicle's actual mileage.

LAW: Title 21, Section 6419, DEL. CODE

Section 6419. Documents Acceptable as Odometer Disclosure Statements.

- (a) Except as provided in subsections (b) and (c) of this section, any Delaware certificate of title issued which includes the odometer disclosure information, as prescribed by this chapter, shall satisfy all the requirements for issuance of odometer disclosure statements by dealers licensed in the State.
- (b) Nothing in this section shall exempt a dealer and/or dealership from complying with the provisions of §6418 of this title.
- (c) Any manufacturer's statement of origin accompanying an "original application for a Delaware certificate of title" shall satisfy the requirements of the odometer disclosure statement as provided in this chapter.

LAW: Title 21, Section 6420, DEL. CODE

Section 6420. Penalties/Jurisdiction.

- (a) Any person who violates any of the provisions of §6404(a) of this chapter shall be fined not less than \$10 nor more than \$100.
- (b) Any person who violates any provision in this chapter, except §6404(a) shall be guilty of a misdemeanor and shall be fined not less than \$1,000 nor more than \$5,000 for each such violation. Any person who is guilty of a second or subsequent violation of this chapter shall be fined not less than \$2,000 nor more than \$10,000 for each subsequent violation.
- (c) In the case of a first offense by a dealer or dealership, the Division of Motor Vehicles may place such dealer or dealership on probation as a licensed Delaware motor vehicle dealer for a period of 1 year. Any violation of this chapter by a dealer or dealership during any year of probation may result in the suspension of the license of the dealer or dealership for a period not exceeding 1 year.
- (d) In the case of a second or subsequent violation of this chapter by a dealer or dealership, the Division of Motor Vehicles may suspend the license and/or privileges of the dealer or dealership for a period not to exceed 1 year.
- (e) Common Pleas Court shall have jurisdiction violations of this chapter.

ADDITIONAL ODOMETER INFORMATION

The Odometer Mileage Statement may be used in addition to the Odometer Disclosure Statements on the certificate of title; application for title (MV-212A form); or the Delaware Dealer's Reassignment Form (MV-202B).

Dealers can utilize the separate form or can incorporate the information into the sales contract. Either way is satisfactory.

The Delaware power of attorney for transfer of ownership to a motor vehicle (pages 37 & 38) is an acceptable disclosure statement.

It is necessary for each dealer to furnish his own odometer disclosure statement to the customer. There are no specifications for size of the form. However, all print should be legible to the naked eye. The primary purpose of the Odometer Disclosure Statement is to inform a potential buyer of the car's mileage as an index to the condition and value of the vehicle.

The buyer, like the seller, will now be required to include his name, address and signature acknowledging receipt of the statement. The Disclosure Statement must be given on every transfer or reassignment application of motor vehicle.

Public Law 92-513, as amended by Public Law 94-364, prohibits:

- Disconnecting or resetting the odometer with intent to change the mileage reading
- Operating a vehicle with a nonfunctional odometer (with intent to defraud)
- Advertising, selling, using, or installing a device which causes an odometer to register incorrectly
- Knowingly falsifying the written odometer statement
- Removing the notice attached to the left door frame at the time of odometer service

When the dealer resells the vehicle, he must also provide a disclosure statement to the purchaser. Dealer must also provide a disclosure statement upon the sale of a new vehicle. This must be done before executing any transfer of ownership document.

It is suggested that dealers use a 2-part form. The first going to the purchaser and the second part retained by the dealer.

EXEMPTIONS - A transferor of any of the following motor vehicles need not disclose the vehicle's odometer mileage:

- (1) A vehicle having a gross vehicle weight of more than 16,000 lbs.
- (2) A vehicle that is not self-propelled.
- (3) A vehicle that is 10 years old or older. (Formula is current calendar year minus ten. Example: 2000 - 10 = 1990 or older vehicles are not mandated to make a disclosure.)

PRIVATE CIVIL ACTION ON ODOMETER VIOLATIONS

15 U.S.C. 1989 Section 409.

- (a) Any person who, with intent to defraud, violates any requirement imposed under this title shall be liable in an amount equal to the sum of:

- (1) Three times the amount of actual damages sustained or \$1,500, whichever is the greater; and *In the case of any successful action to enforce the foregoing liability the costs of the action together with reasonable attorney fees as determined by the court.
- (b) An action to enforce any liability created under subsection (a) of this section may be brought in a United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within two years from the date on which the liability arises.

INSURANCE VERIFICATION INFORMATION FOR DEALERS SELLING MOTOR VEHICLES

Liability insurance is required on every motor vehicle, which is registered in Delaware. A motor vehicle is a self-propelled vehicle. Mopeds are defined as bicycles under Title 21 and are not required to have insurance. Dealers must check proof of insurance prior to issuing a temporary tag. If a temporary tag is not issued and the dealer transfers the title and registration before the customer takes possession of the motor vehicle, the dealer must see proof of liability insurance coverage prior to submitting the title application to this Division. (For more information see Temporary Tag Section)

Liability insurance is not required on trailers or on any vehicle, which is to be towed.

Minimum fine for operating a vehicle without liability insurance is \$1500 and a suspension of driver's license for 6 months.

The law, Title 21, Section 2118, requires the vehicle to be insured, not the driver.

By regulation, insurance companies are required to furnish an insurance ID card to all owners of vehicles insured.

At least one (1) ID card shall be issued for each vehicle insured under policy.

INSURANCE REQUIREMENTS FOR DEALERS

All dealerships that are issued dealer plates must provide written proof of liability insurance coverage to the Motor Vehicle Division each year at the time of renewal of their dealer plates. This proof must either specify the number of dealer plates insured or state "All Owned Vehicles".

DEALER'S REASSIGNMENT FORMS

Form MV202B

(Sample attached)

LAW: Title 21, Section 2504, DEL. CODE

- (a) If ownership of a vehicle held by a registered dealer for sale is transferred, the transferring dealer, without applying for a new certificate of title, may execute an assignment of title to the transferee on a Dealer's Reassignment Form, prescribed by the Department. Such assignment shall include a statement certifying all liens and encumbrances on the vehicle.

Every dealer, upon transferring a vehicle, shall immediately give a written notice of such transfer to the Department upon the official form provided by the Department.

- (b) Dealer Reassignment Forms may be issued to a qualified dealer upon application for not less than 10 such forms and payment of a fee of \$10.00 for each form."

DIVISION OF MOTOR VEHICLE REASSIGNMENT REQUIREMENTS

Reassignment forms will be issued only to licensed Delaware dealers.

Application Form No. MV433 must be completed for each order of forms. White copy is given to the dealer as a receipt. Only persons authorized on the MV26 Form to sign for the dealership can complete Form MV433.

Each form is consecutively numbered and each is accountable.

All reassignment forms must be completed in full, including the odometer disclosure statement, before the Division of Motor Vehicles will accept them.

Under no conditions is this form to be used by anyone but a licensed Delaware vehicle dealer. **Interchanging or sales of forms from one dealer to another is not permitted.** The reassignment, however, can be assigned to a buyer of the vehicle.

Reassignment forms can be used in conjunction with a Delaware certificate of title to a Delaware dealer. All other supporting documents will still be required. This includes inspection of those vehicles coming into Delaware from another state.

MV 2028 DOCUMENT NO. 15-07-85-11-2 STATE OF DELAWARE DIVISION OF MOTOR VEHICLES P.O. BOX 698 DOVER, DELAWARE 19903		DELAWARE DEALER'S REASSIGNMENT	INVENTORY CONTROL NO. 718772			
THIS FORM IS TO BE USED BY A LICENSED DELAWARE DEALER FOR THE PURPOSE OF REASSIGNMENT OF A VEHICLE CERTIFICATE OF TITLE OR MANUFACTURERS CERTIFICATE OF ORIGIN.						
DESCRIPTION OF VEHICLE (Required Ownership Documents must Accompany this form)						
YEAR	MAKE OF VEHICLE	MODEL	BODY STYLE	VEHICLE IDENTIFICATION NO.	TITLE NO. (if ATTACHED TITLE)	STATE
1997	Olds	Cutlass	4D	1G3WH52M3VF310650	959595	DE
DELAWARE DEALER REASSIGNMENT 1						
The vehicle described above was sold for a:						
Total price of \$ <u>11,995.00</u>						
Less trade in (DE only) \$ _____ Year _____ Make _____ Title, Tag No. _____ State _____						
Net cash \$ _____						
Document fee \$ <u>330.00</u>						
I, the undersigned licensed dealer, do hereby sell, assign or transfer to:						
FULL NAME OF PURCHASER <u>John Q. Jones</u>				The vehicle described above and all its accessories is subject to terms or circumstances set forth herein and none other than set forth herein.		
DATE OF BIRTH (IF UNDER 18 YEARS OF AGE, SIGNATURE OF GUARDIAN REQUIRED) <u>5/15/62</u>				NAME OF LIEN HOLDER <u>PNC Bank</u>		
STREET ADDRESS OF PURCHASER <u>56 Hickory Circle</u>				STREET ADDRESS OF LIEN HOLDER <u>3 The Plaza</u>		
CITY OR TOWN <u>Smyrna</u>		STATE <u>DE</u>		CITY OR TOWN <u>Dover</u>		STATE <u>DE</u>
				ZIP <u>19977</u>		ZIP <u>19901</u>
ODOMETER DISCLOSURE STATEMENT						
Federal and State law requires that you state the mileage in connection with transfer of ownership. Failure to complete odometer statement or providing a false statement may result in fines and/or imprisonment.						
I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following is checked:						
<div style="border: 1px solid black; padding: 2px; display: inline-block;"> ODOMETER READING - MILES (THOUSANDS) <u>5 8 2 7</u> </div>				<input type="checkbox"/> 1. The mileage stated is in excess of odometer mechanical limits. (Exceeds 99,999)		
				<input type="checkbox"/> 2. The odometer reading is not the actual mileage. - WARNING - ODOMETER DISCREPANCY		
I/WE CERTIFY, UNDER PENALTY OF PERJURY, THAT THE STATEMENTS MADE HEREIN ARE TRUE AND CORRECT TO THE BEST OF MY/OUR KNOWLEDGE, INFORMATION AND BELIEF.						
PRINTED NAME OF DEALER <u>Jack's Auto Sales</u>		DEALER NUMBER <u>007</u>		SIGNATURE OF SELLER'S AGENT <u>X Jack Deal</u>		
<u>123 DMV Lane</u> <u>Dover, DE 19901</u>				PRINTED NAME OF SELLER'S AGENT <u>Jack Deal</u>		DATE OF SALE <u>9/5/00</u>
PRINTED NAME OF BUYER/COMPANY/DEALER <u>John Q. Jones</u> <u>56 Hickory Circle</u> <u>Smyrna, DE 19977</u>				I AM AWARE OF THE ABOVE ODOMETER CERTIFICATION SIGNATURE OF BUYER/AGENT <u>X John Q. Jones</u> PRINTED NAME OF BUYER/AGENT <u>John Q. Jones</u>		

DELAWARE DEALER REASSIGNMENT 2					
If trade-in is included this information is required (Delaware registered vehicles only)					
Total price of \$ _____		Year _____	Make _____	Title, Tag No. _____	State _____
Less trade-in (DE only) \$ _____					
Net cost \$ _____					
Document fee \$ _____					
I, the undersigned licensed dealer, do hereby sell, assign or transfer to: FULL NAME OF PURCHASER _____					
DATE OF BIRTH _____ IF UNDER THE AGE OF 18, GUARDIAN'S CONSENT _____			NAME OF LIEN HOLDER _____ STREET ADDRESS OF LIEN HOLDER _____ CITY OR TOWN _____ STATE _____ ZIP _____		
STREET ADDRESS OF PURCHASER _____ CITY OR TOWN _____ STATE _____ ZIP _____			CITY OR TOWN _____ STATE _____ ZIP _____		
ODOMETER DISCLOSURE STATEMENT					
Federal and State law requires that you state the mileage in connection with transfer of ownership. Failure to complete odometer statement or providing a false statement may result in fines and/or imprisonment.					
I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following is checked:					
ODOMETER READING - MILES AND TENTHS: _____		<input type="checkbox"/> 1. The mileage stated is in excess of odometer mechanical limits. (Exceeds 99,999)			
		<input type="checkbox"/> 2. The odometer reading is not the actual mileage. - WARNING - ODOMETER DISCREPANCY			
I/WE CERTIFY, UNDER PENALTY OF PERJURY, THAT THE STATEMENTS MADE HEREIN ARE TRUE AND CORRECT TO THE BEST OF MY/OUR KNOWLEDGE, INFORMATION AND BELIEF.					
PRINTED NAME OF DEALER		DEALER NUMBER		SIGNATURE OF SELLERS AGENT	
				X	
				PRINTED NAME OF SELLERS AGENT	DATE OF SALE
				I AM AWARE OF THE ABOVE ODOMETER CERTIFICATION	
				SIGNATURE OF BUYER/AGENT	
				X	
				PRINTED NAME OF BUYER/AGENT	

ALTERING OR FORGING MOTOR VEHICLE DOCUMENTS

LAW: Title 21, Section 2316, DEL. CODE

**Section 2316. Altering or Forging Certificate of Title
Manufacture's Certificate of Origin,
Registration Card, Vehicle Identification Plate,
Vehicle Warranty or Certification Sticker or Vehicle
Identification Plate.**

Whoever:

- (1) Alters with fraudulent intent any certificate of title, manufacturer's certificate of origin, registration card, vehicle warranty or certification sticker, or vehicle Identification plate issued by the Division; or
- (2) Forges or counterfeit any certificate of title, manufacturer's certificate of origin, registration card, vehicle warranty or certification sticker, or vehicle identification plate issued by the Division; or
- (3) Alters or falsifies with fraudulent intent, or forges any assignment of a certificate of title, manufacturer's certificate of origin, registration card, vehicle identification plate; or
- (4) Holds or uses any certificate of title, manufacturer's certificate or origin, registration card, vehicle warranty or certification sticker, or vehicle identification plate, or an assignment thereof, knowing the same to have been altered, forged or falsified;

is guilty of a class E felony as the same is defined in Chapter 42, Title II and shall be sentenced in accordance therewith.

DEALER PLATES

LAW: Title 21, Section 2124, DEL. CODE

Section 2124. Number Plates for Manufacturers and Dealers

- (a) A manufacturer or dealer owning any vehicle of a type otherwise required to be registered under this title may operate or move the same upon the highways when such vehicle is used: (1) in the motor vehicle business of such manufacturer or dealer; or (2) for the personal pleasure of such manufacturer or dealer or an immediate member of his family; or, when such manufacturer or dealer is a corporation for the personal pleasure of not more than 3 officers thereof, who are actively engaged in its business or the members of their families, or for the personal pleasure of the regular employees of such manufacturer, dealer or corporation when operated by such employee; or (3) for testing such vehicles in the possession of such manufacturer or dealer; or (4) for demonstrating vehicles in the possession of such manufacturer or dealer. Such vehicle may be operated by a prospective purchaser, when licensed as an operator or permittee, without registering each such vehicle, upon condition that any such vehicle display thereon, in the manner prescribed by this chapter for regular number plates, a special plate or plates issued to such owner as provided by this section.
- (b) The provisions of this section shall not apply to work or service vehicles owned by a manufacturer, transporter or dealer.
- (c) Every manufacturer, transporter or dealer shall keep a written record of the vehicles upon which such special plates are used and the time during which each set of plates is used on a particular vehicle, which record shall be open to inspection by any police officer or any officer or employee of the Department.
- (d) No manufacturer or transporter of or dealer in motor vehicles, trailers or semi-trailers shall cause or permit any such vehicle owned by such person to be operated or moved upon a public highway without the same being registered in accordance with the provisions of this title and without there being displayed thereon a number plate or plates and a registration plate or plates, as provided by this title, except as otherwise authorized by this section.

- (e) Any manufacturer, transporter or dealer may make application to the Department upon the appropriate form for a certificate and for 1 or more pairs of special plates or single special plates as are appropriate to various types of vehicles of the types subject to registration hereunder. The applicant shall also submit such proof of his status as a bona fide manufacturer; the Department may require transporter or dealer as. Dealer license plates will be limited to dealerships based on the number of vehicles sold per year. Dealers selling 5 to 10 vehicles per year may obtain no more than 1 dealer plate; dealers selling 11-25 vehicles per year may obtain no more than 2 dealer plates; dealers selling 26-49 vehicles per year may obtain no more than 4 dealer plates; dealers selling 50-99 vehicles per year may obtain no more than 5 dealer plates; dealers selling 100 or more vehicles per year may obtain any number of dealer plates at the dealer's discretion.
- (f) The Department, upon approving any such application, shall issue to the applicant a certificate containing the applicant's name and address and other appropriate information.
- (g) The Department, upon approving any such application, shall also issue special plates of a design, size, material and color determined by the Department. Each plate or pair of plates so issued, however, shall contain a number or symbol distinguishing the same from other plates issued under this chapter.
- (h) Notwithstanding this section, the Department upon approving an application filed by a licensed automotive recycler may issue 1 or more special plates as provided for in subsection (a) of this section.
- (i) All special plates issued hereunder shall expire at midnight on the thirty-first day of December of each year and may be extended for the ensuing year by the person to whom such plates were issued upon application to the Department and payment of the fees provided by this title.

NOTE: Dealer's plates are the property of the Division of Motor Vehicles and cannot be sold, transferred, or given from one dealership to another dealership.

USE OF DEALER PLATES:

(Section 2124)

Dealer plates may be used in the following ways:

- (1) In the motor vehicle business of such dealer;
- (2) On the dealer's personal vehicle or by the members of his family; or if a corporation, by not more than (3) officers actively engaged in the business, or the members of their immediate families;
- (3) For the personal pleasure of regular employees for such dealer when the vehicle is operated by the employee;
- (4) For demonstrating vehicles in the possession of the dealer and driven by a prospective buyer, provided that person is a licensed driver; and
- (5) For testing such vehicles in the possession of such manufacturer or dealer.

Dealer plates **MAY NOT** be used on work or service vehicles owned by the dealer. These include tow trucks, pick-up trucks used as service vehicles, and other types of work or service vehicles with advertisement lettered on them used by the business. This also includes buses carrying passengers. No load of any type is permitted on a vehicle bearing a dealer plate. Work and service vehicles must be registered. Boat trailer dealers may use a dealer license plate on a boat trailer. Dealer plates cannot be loaned to anyone. Dealer plates cannot be displayed on any lease or rental vehicles.

- (6) A Delaware dealer's plate cannot be used by a person living in another state except under the following conditions:
 - (a) The person must be a full-time employee of a Delaware dealership which is physically located within this state; and
 - (b) The person's normal work schedule is within the State of Delaware at the physical location of the dealership; and
 - (c) The vehicle must be owned or assigned to the Delaware based dealership; and

- (d) The dealer's plate is not issued to a dealership, which has been approved by the Division of Motor Vehicles as a "wholesaler".
- (7) A boat trailer dealer, who is properly licensed by the Division of Motor Vehicles and the Division of Revenue, may use a dealer license plate on a boat trailer when such trailer is carrying a boat or when such boat trailer is empty. (Department of Public Safety Policy Regulation Number 46.)

Any use of a dealer's plate in violation of the previously stated conditions is considered a misuse of the Delaware dealer plates(s) and can result in the suspension of dealer plates(s) and/or privileges as a dealership.

RENEWAL OF DEALER LICENSE PLATES

All dealer license plates expire at midnight on December 31st of each year and must be renewed at the Motor Vehicles Division on or before that time for the dealer to legally conduct business. The dealer must supply to the Division upon request a record of the number of vehicles sold for the previous 12 months. Dealer plates are limited to dealerships based on the number of vehicles sold per year.

If a dealer wishes to make changes to the dealer plates such as obtaining additional plates or deleting existing plates, the dealer must notify the Division of Motor Vehicles on or before November 1st so the renewal registration cards may be prepared. In order for the dealer plate renewals to be processed in the Division of Motor Vehicles by December 31st, it is important that the dealer plates be renewed as early as possible.

Approximately, three (3) months prior to the expiration of the dealer plates, the dealer will receive renewal cards displaying all dealer tags that are issued to the dealership. At the time of renewal, it will be necessary for the dealer to bring all of these cards to the Motor Vehicle Division along with all available registration cards, a copy of the proof of liability insurance coverage on the dealer plates, sales records and the proper renewal fee. A copy of the proof of liability insurance must be submitted at the time of renewal. All dealer tags that are not being renewed must be returned to the Division. Failure to turn in these tags will result in the renewal being denied.

There will be a \$10.00 service charge for each dealer tag that is issued in replacement of another dealer tag at the request of the dealer.

EXAMPLE:

Dealer turns in tag number D12345 and requests tag number D123. At that time he must pay \$10.00 for the service charge and a \$6.00 duplicate tag fee for a total of \$16.00.

If the dealer is not requesting a special tag number but only wants to change number because of stolen plate, there will be a \$10.00 service charge but not a \$6.00 plate fee. There are to be **NO EXCEPTIONS**.

DUPLICATE DEALER PLATES

The only authorized signatures permitted for duplicate dealer plates are the names appearing on page 1 of the dealer application (MV29). Form MV508 (sample attached) **MUST** be completed and signed before a duplicate dealer plate can be issued.

APPLICATION FOR DUPLICATE DELAWARE DEALER PLATE

NAME OF DEALERSHIP Jack's Auto Sales

NUMBER OF DEALER TAG LOST OR STOLEN D9595

EXPIRATION DATE OF TAG 12/31/00

This is to certify that the above designated dealer plate has been lost or stolen and cannot be located to the best of our knowledge. If the original is recovered, the duplicate plate must be returned to the Division of Motor Vehicles. Any continued use of the duplicate, if the original is recovered may result in the suspension of all dealer privileges.

I/We hereby certify that the foregoing statement is true and correct and that I/we are to have only one (1) dealer plate with the above designated number in our possession.

Signature – Owner/Officer of Company

Date

MV-508 (Revised 7/23/93)

TEMPORARY TAGS

THE DIVISION LOADS ALL TEMPORARY TAG INFORMATION INTO AN ON-LINE COMPUTER SYSTEM. DEALERS MUST SUBMIT THE TEMPORARY TAG REGISTRATION SLIP (PINK COPY) TO THE DIVISION WITHIN ONE (1) DAY OF ISSUANCE. ALL INFORMATION MUST BE LEGIBLE AND COMPLETE INCLUDING THE FULL ADDRESS.

A DEALER WILL NOT CHARGE A CUSTOMER MORE THAN \$10.00 FOR A TEMPORARY TAG. DEALERS MAY CHARGE AN ADMINISTRATIVE FEE BUT WILL SHOW THIS FEE SEPARATE FROM THE \$10.00 FEE FOR A TEMPORARY TAG.

GENERAL INSTRUCTIONS ON ISSUANCE OF TEMPORARY TAGS

- (1) The dealer may issue a temporary tag to the purchaser of a vehicle for a period of 60 days after witnessing proof of liability insurance coverage.
- (2) **THE DEALER MAY CHARGE A FEE OF NOT MORE THAN \$10.00 FOR EACH TEMPORARY TAG ISSUED.** If a service fee is charged in addition to the temporary tag fee, this service fee must be itemized so that the customer is aware of all charges.
- (3) **The dealer shall completely and legibly fill in the temporary tag registration slip. The temporary registration slip must include the dealer's number, buyer's name and complete address, buyer's drivers license number and state of issuance, make and year of vehicle, serial number of vehicle, insurance NAIC code, gross registered weight if applicable, dealer's name, date issued and date expires (write actual date NOT 60 days.) The Division may take disciplinary action against a dealership if the temporary registration slips are not completed in full and are not legible. No white-out is allowed. Do not line through one name and add another name. Police agencies will issue tickets for changes of this nature.**
- (4) The dealer must immediately send the pink copy of the temporary tag registration slip to the Motor Vehicle Division for its records.
- (5) Information on the actual temporary tag must be filled in by the dealer with an indelible marker pen with the date of issuance, the expiration date (**do not enter 60 days**), the make and year of the vehicle and the serial number of the vehicle. Scotch tape must be used to cover the above data to prevent fading from rain, snow, etc.

- (6) Dealers must purchase at least five (5) temporary tags at a time and pay a fee of \$10.00 for each tag.
- (7) When a dealer purchases temporary tags from the Division of Motor Vehicles, the dealer is required to provide the following information:
 - (a) Name and address of dealer;
 - (b) Dealer number;
 - (c) Driver's license number of the person obtaining the tag;
 - (d) Telephone number of dealership or person obtaining the tags.
- (8) Temporary tags can only be issued by dealers for vehicles sold by them and **for which they submit the application for title to the Division of Motor Vehicles.**
- (9) Temporary tags issued to commercial vehicles weighing 26,000 pounds or over are only valid in Delaware. Vehicle owners must contact Motor Fuel Tax, International Registration Plan (IRP) Section, to obtain temporary operating authority to carry loads outside of Delaware. (Phone 1-800-556-4343 for information.)
- (10) The law allows only one temporary tag to be issued on a vehicle you sell. If some unique problem arises and a second temporary tag must be issued, you must call 744-2503 to obtain permission (giving reason, old temporary tag number, new temporary tag number, owner's name and address, vehicle manufacturer, year and identification number). A dealership's failure to obtain permission can result in the suspension of temporary tag issuance by that dealership. The Division's new computer system monitors the issuance of temporary tags for all vehicles.
- (11) The dealer must keep a record of the yellow copy of the temporary tag stub for a period of at least three (3) years. (Delaware law Title 21, Section 2130 (c) requires this).
- (12) Any dealer in violation of the previously mentioned laws and regulations will have their temporary tag privileges suspended.
- (13) **Interchanging or sale of temporary tags from one dealer to another is not permitted.**
- (14) The gross weight must be entered on all commercial vehicles, recreational vehicles and trailers.

POLICY REGULATION NUMBER 71

CONCERNING: Issuance of Temporary Registration Plates

Pursuant to Title 21, Section 2132, of the Delaware Code, this policy regulation is adopted, effective immediately.

- A. In addition to the requirements under Title 21, Section 2129, 2130, and 2131, a dealer shall witness proof of liability insurance on a vehicle prior to the issuance of a temporary registration plate (tag) and prior to accepting the application for title and tag from the applicant.

Proof can be:

1. Insurance ID card
2. Insurance policy, which identifies the vehicle
3. Letter from a company or an agent bearing the company or agent's letterhead.

A vehicle just purchased has an automatic 30-day coverage if the owner's previous vehicle was properly insured. Thus, if the owner presents an ID card on his old vehicle (just trade or sold) and if it is within 30 days of the purchase date of the new vehicle, the old ID card is acceptable.

- B. **A DEALER SHALL CHARGE A FEE OF NOT MORE THAN \$10.00 FOR A TEMPORARY REGISTRATION PLATE (TAG). (Pursuant to Title 21, Section 2130 (a)).**
- C. A dealer is permitted to issue only one temporary registration plate (tag) for a vehicle he sells. If unusual circumstances require the issuance of a second temporary registration plate (tag), the dealer is required to call the Title Section in the Dover Administration Office for approval. (Telephone 744-2503/2504/2502).
- D. Temporary registration plate (tag) can only be issued by a dealer for a vehicle sold by such dealer and for which such dealer is submitting the application for certificate of title to the Division of Motor Vehicles.
- E. A dealer who issues a temporary registration plate (tag) must forward the pink copy of the temporary registration certificate immediately to the Division of Motor Vehicles. (Pursuant to Title 21, Section 2130) The dealer shall keep a record of the yellow copy of the temporary registration certificate for a period of at least 3 years. (Pursuant to Title 21, Section 2130)

- F. IF A TEMPORARY REGISTRATION PLATE IS ISSUED BY A DEALER TO A COMMERCIAL VEHICLE, RECREATIONAL VEHICLE OR TRAILER, THE GROSS WEIGHT FOR WHICH THE VEHICLE IS BEING REGISTERED MUST BE COMPLETED ON THE TEMPORARY REGISTRATION SLIP.**
- (H) DELAWARE TEMPORARY REGISTRATION PLATES FOR COMMERCIAL VEHICLES WEIGHING 26,001 POUNDS OR GREATER AND CARRYING A LOAD ARE NOT VALID OUTSIDE OF DELAWARE. THESE VEHICLES MUST HAVE TEMPORARY OPERATING AUTHORITY FROM DELAWARE'S INTERNATIONAL REGISTRATION PLAN SECTION (1-800-556-4343).**

Any dealer who violates the laws regarding the issuance of temporary registration plates or who violates any part of this Policy Regulation may, after a hearing, have the right to purchase and issue temporary registration plates suspended for a period of time to be determined by the Department.

SPECIAL NOTE: Any dealer who wishes to have restricted signatures for purchasing temporary tags may do so by requesting this service in writing along with the individuals' signatures.

T - DELAWARE - T
XA049706

Issued 9/9/98 Expires 11/8/98 Make Chev97 Serial No. 1F1A23456789

TEMPORARY REGISTRATION

TEMPORARY REGISTRATION Delaware Motor Vehicle
Insurance OK ☒ NAIC 12345 XA 049706
DELIVERED TO Joseph P. Doe
OF 16 North Avenue, Anywhere, DE 19000
DRIVERS LICENSE NO. 012345 DEALER NO. 5555
MAKE AND YEAR Chev. 97
SERIAL 1F1A23456789
If a vehicle is a commercial vehicle or a trailer,
enter gross reg. wt.
DEALERSHIP CLERK Honest John's Used Cars
DATE ISSUED 9/9/98 DATE EXPIRES 11/8/98
PURCHASER'S COPY

NO REFUNDS ALLOWED ONCE TAG HAS BEEN ISSUED

DISCLOSURE REQUIREMENTS FOR BRANDED VEHICLES

LAW: Title 21, Section 6309(d), DEL. CODE

A dealer or agent of a dealer must disclose to a buyer if the vehicle title has been branded "reconstructed," "flood damaged," "salvage," or was a "previous taxi." The buyer(s) shall acknowledge the disclosure as described in this paragraph by signing a disclosure statement, which has been approved by the Division of Motor Vehicles and is provided by the dealership. A copy of the disclosure statement shall be provided to the Delaware Division of Motor Vehicles with the title application. In the absence of any disclosure statement, the contract may be rescinded at any time by the buyer, and the dealer shall provide a full and complete refund to the buyer of all purchase monies, including interest paid plus all fees paid. Disclosure shall not prevent any person from otherwise bringing any action under any law for a failure to disclose material information concerning the condition or prior use of any vehicle.

The Division will provide approved Dealer Disclosure Statements to all dealers involved in selling branded vehicles. The Division's Disclosure Statements will have three parts; one each for the buyer, dealer and DMV. Forms are available at any DMV office.



DELAWARE DIVISION OF MOTOR VEHICLES DEALER DISCLOSURE STATEMENT OF TITLE BRAND

Delaware Title 21, Section 6309(d), requires a Delaware dealer or agent of a dealer to disclose to a buyer if the vehicle title will be branded "reconstructed," "flood damaged," "salvage" or "previous taxi." The law requires the vehicle buyer(s) to acknowledge the disclosure by signing the disclosure statement. **This form must be submitted with the title application. In the event the vehicle is sold to an out-of-state buyer, mail this form to: Delaware DMV, Data Management Section, P.O. Box 698, Dover, Delaware 19903.**

The vehicle described below will be branded with the following brand(s) when the vehicle is titled:

☒ Reconstructed
☐ Salvage

☐ Flood Damaged
☐ Previous Taxi

Vehicle Make Chevrolet, Model Camaro, Year 1997

Vehicle Identification Number (VIN) 12345678901234567

DISCLOSURE ACKNOWLEDGEMENT

I, Jane D. Public, do hereby acknowledge I (we) have been informed and
(Buyer(s) printed name(s))
understand that the Delaware title to the vehicle described above will be branded with a

Reconstructed brand.
(Write brand checked)

Jane D. Public
(Printed Name of Buyer)

(Printed Name of Buyer)

(Signature of Buyer)

(Signature of Buyer)

8/31/00
(Date)

(Date)

I hereby certify, under penalty of perjury, that the Buyer(s) of the vehicle described above has been informed the vehicle will be branded with Reconstructed brand when the vehicle is titled.
(Write brand checked)

Vehicle was sold to an out-of-state buyer YES ☐ NO ☐

ABC Auto Sales

9999

Dealership Name

Dealer Number

Robert B. Honest
Printed Name of Dealer Agent

8/15/1998
Date

Signature of Dealer Agent

SALVAGE OR JUNK VEHICLES

LAW: Title 21, Section 2512, DEL. CODE

Section 2512. Responsibilities of Vehicle Owners Regarding the Requirements of Obtaining a Salvage Certificate for Certain Motor Vehicles.

- (a) Whenever any registered or unregistered motor vehicle, for which title has been issued by the Department, is transferred as salvage as a result of a total loss insurance settlement, the insurance company or its authorized agent shall send the certificate of title of the vehicle to the Department within 30 days from the date of settlement. Upon receipt of the certificate of title and appropriate fee, the Department shall issue a salvage certificate. Such salvage certificate shall be deemed to meet all State proof of ownership.
- (b) If a salvaged or junked motor vehicle is sold to a scrap processor and if the vehicle is to be totally destroyed, the salvage dealer or junk dealer shall, within 30 days of said sale, certify on the salvage certificate that the vehicle was sold to be destroyed and list the name of the scrap processor or buyer along with the date of sale and that the vehicle no longer exists and forward the salvage certificate to the Department for cancellation.
- (c) The Department shall issue to the seller a receipt in the name of the seller, agent or owner for the salvage certificate. The seller or vehicle owner or agent shall keep such records and receipt for a period of three (3) years from the date of sale and shall make such records and receipts available for inspection and examination by any police officer during the regular working hours of such business, seller or agent.
- (d) Any person who fails, neglects or refuses to maintain the records and information required by this section, or who shall refuse to permit the examination of the records or information by persons permitted by this section to do so, shall be guilty of a Class B Misdemeanor as the same is defined in Chapter 42 of Title II, of the Laws of the State of Delaware and shall be subject to the penalties prescribed therein.

DMV PROCEDURES FOR SALVAGE OF JUNK VEHICLES

- (a) If the owner scraps, permanently dismantles, damages or destroys a vehicle and there is no settlement with an insurance company on the basis of total loss, the owner must send the title and license plate to the Motor Vehicle Division. (ATTN: Title Section)

- (b) When an insurance company as a result of having paid a total loss claim acquires a certificate of title to a vehicle and obtains possession or control of the vehicle for any cause other than theft, such company must send the title and license plate to the Motor Vehicle Division. (ATTN: Title Section)
- (c) Within 30 days of a theft of a vehicle, if an insurance company has acquired a certificate of title to the vehicle and obtains possession of the vehicle in settlement of a theft loss claim, and upon recovery of the vehicle it is determined that the vehicle has been damaged to an extent that it would be considered a total loss under the provisions of comprehensive and collision insurance, such insurance company must send the title and license plate to the Motor Vehicle Division. (ATTN: Title Section)
- (d) Whenever any owner sells or transfers a vehicle, whether registered or unregistered, which is considered to be scrapped, permanently dismantled, damaged or destroyed beyond repair or otherwise made permanently unusable as a vehicle, such owner shall send the title and license plate to the Motor Vehicle Division. (ATTN: Title Section)
- (e) Whenever any vehicle, whether registered or unregistered, is acquired either from in state or from another state and the vehicle was purchased as salvage, junked or to be dismantled, the purchaser must send the title and license plate to the Motor Vehicle Division. (ATTN: Title Section) However, if the seller of the vehicle has complied with those requirements, and the new purchaser has in his possession a salvage certificate, no further requirements are necessary.

NOTE: The Division is waiving the requirements for the vehicle identification number plate to be surrendered.

SELLING A SALVAGE VEHICLE

Procedures to follow when a junked vehicle (for which a salvage certificate has been issued) is sold to another party.

- (a) Assign the salvage certificate for a salvage vehicle on the reverse side to the purchaser.
- (b) Purchaser must retain salvage certificate at the office or location where vehicle is maintained.

RETITLING SALVAGE VEHICLES

Procedures to follow if a junked or salvage vehicle are to be re-titled or reregistered.

- (a) Delaware State Police Auto Theft Unit must inspect vehicle. Salvage certificate must be presented.
- (b) Vehicle must pass safety inspection at Motor Vehicle Division Inspection lane.
- (c) Representative of Auto Theft Unit will retitle vehicle showing "Make of Vehicle" as entered on Form MV214.
- (d) The new Delaware title will be typed showing "Reconstructed" in the "use" block.

Section 3. Fees

- (a) If a salvage certificate is desired, there is a fee of \$15.00 to be paid at the time of application.
- (b) If owner submits the title as being junked, salvaged, etc. and there is no further need of a non-negotiable receipt (salvage certificate), the Motor Vehicle Division will send a letter to the owner acknowledging receipt of the title and tag. There is a no fee for this. However, this vehicle can never be titled again. The letter must be maintained on file and produced upon request by any authorized agent of the Motor Vehicle Division or law enforcement agency.

PROCEDURES FOR OWNER-RETAINED SALVAGE VEHICLES

The following procedures will be provided to customers obtaining a salvage certificate for a total loss insurance settlement when the customers will retain possession of the vehicle. The vehicle cannot be driven or sold until the vehicle has been reconstructed, presented to the Delaware State Police Auto Theft Unit for inspection, passed Delaware safety inspection and is re-titled. The Division can issue a 30-day temporary tag for a \$10 fee when the vehicle has been reconstructed, has passed the Delaware safety inspection and valid proof of insurance has been presented. See the following procedures:

- (1) Customers can obtain a salvage certificate by personally appearing at any Division of Motor Vehicles facility. Customers must make an odometer disclosure as shown in Item (A) and provide the documents and fee shown in Item (B) to obtain a salvage certificate over the counter. Customers must comply with Items (A), (B) and (C) to obtain a salvage certificate by mail.

- (A) Owner must make an odometer disclosure on the back of the Delaware title in Block 1 - "Assignment of Certificate of Title." Owner must also sign and print his or her name in Block 1 under "Signature of Buyer" and "Printed Name of Buyer."
- (B) The title, a letter from your insurance company indicating the vehicle is a total loss insurance settlement and the vehicle is a owner-retained salvage, vehicle license plate and a check for \$15 must be presented to any DMV facility or sent to:

Delaware Division of Motor Vehicles
Salvage Certificate Section
P.O. Box 698
Dover, Delaware 19903

- (C) The Division will issue a salvage title on the vehicle and put the license plate in retention when the plate is still current. The salvage title will be mailed to your current address.

RETITLING & REGISTRATION PROCEDURES

- (2) When the vehicle has been reconstructed, call the Division of Motor Vehicles at the following numbers for a verbal permit to bring the vehicle to the nearest inspection facility for inspection by the State Police Auto Theft Unit on the days the unit will be at your lane location:

Location	Phone Number
Dover	744-2500
Georgetown	853-1000
New Castle	326-5000

The following procedures must be followed to re-title and register a vehicle with a salvage certificate:

- (A) All repairs accomplished must be documented and receipts for all parts must be saved.
- (B) Once vehicle is reconstructed, the Delaware State Police Auto Theft Unit must inspect the vehicle. The salvage certificate and receipts for all parts and repairs must be provided to the officer at the time of inspection. Auto Theft Unit inspections are conducted at Division of Motor Vehicles from 8:30 a.m. to 12:00 p.m. and 1:30 p.m. to 3:30 p.m. on the following Thursdays:

Location	Dates
New Castle Inspection Lane	1 st & 4 th Thursday of each month
Dover Inspection Lane	2 nd Thursday of each month
Georgetown Inspection Lane	3 rd Thursday of each month

- (C) Auto Theft inspectors will provide you an "Application for Title" (MV214) when the vehicle successfully passes their inspection.
- (D) Vehicle must then be presented for Division of Motor Vehicles safety and emission inspection.
- (E) Once all items are accomplished, present your salvage certificate, state police title application (MV214), proof of insurance and vehicle inspection report to any Division of Motor Vehicles facilities' title section for titling and registration. Fee is \$15 plus any registration fees. If the vehicle's registration has expired or will expire within 90 days, a registration renewal will be accomplished at the time of titling.
- (F) Inform the title clerk if your old license plate was put into retention. There is no fee for obtaining your tag from the retention file.

Please address any questions on these procedures to the Dover Administrative Office, Title Section, at (302) 744-2502.



STATE OF DELAWARE
DEPARTMENT OF PUBLIC SAFETY
MOTOR VEHICLE DIVISION

TITLE NO. 969696	MANUFACTURER & YEAR CHEV 80	MODEL CAM	BODY STYLE 2D
DATE ISSUED 12/17/97	VEHICLE IDENTIFICATION NO. DMVTESTVIN	GROSS WEIGHT	
MOVNR	STATE IN WHICH TITLED DE	ODOMETER 0199	

NAME AND ADDRESS OF OWNER(S) OF SALVAGE VEHICLE

ROE TEST RECORD
TEST RECORD AVENUE
DOVER DE 19902

SALVAGE CERTIFICATE

FOR A VEHICLE

This is to certify that the owner, for the purpose of salvage, has surrendered title for such vehicle to the Delaware Motor Vehicle Division for cancellation in accordance with the provisions of Title 21, Delaware Laws.

This Certificate is issued as a receipt verifying that title to the above described vehicle has been cancelled in accordance with Title 21, Delaware Laws. This is to further certify that there are no liens against this vehicle recorded in the official records of the Division as of the date of issuance of this Certificate.

THIS CERTIFICATE SHALL BE DEEMED TO MEET ALL STATE PROOFS OF OWNERSHIP REQUIREMENTS.

IMPORTANT: This Certificate must be kept at the same location as the vehicle.

Michael D. Shahan
Director, Motor Vehicle Division

ANY ALTERATION, DELETION, OR MUTILATIONS VOID THIS CERTIFICATE.

This vehicle may not be titled and registered until it has been restored, inspected and certified below.

CERTIFICATE OF INSPECTION BY STATE POLICE AUTO THEFT UNIT

I, the undersigned authorized representative of the Police Agency named below, hereby state that I have inspected the vehicle described above and verified the vehicle identification number.

Signature of Police Representative

State

I.D. or Badge No.

Inspection Date

057501

DELAWARE

ASSIGNMENT OF OWNERSHIP

PURCHASER(S) _____ DATE OF SALE _____

ADDRESS _____

To be completed by seller of the vehicle unless sold to a Delaware Registered Dealer.

The vehicle described on the front of this certificate was sold for a total price of: \$ _____

I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following statements is checked:

ODOMETER READING - MILES (NO TENTHS) ☐ 1. The mileage stated is in excess of odometer mechanical limits (exceeds 99,999).

☐ 2. The odometer reading is not the actual mileage. — WARNING - ODOMETER DISCREPANCY

FEDERAL and State Law requires that you state the mileage in connection with transfer of ownership. Failure to complete ODOMETER STATEMENT OR providing a FALSE STATEMENT may result in fines and/or imprisonment.

We certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

Signature of Seller - X _____ of Buyer - X _____

Signature of Seller - X _____ of Buyer - X _____

Printed Name of Seller _____ of Buyer - _____

SALVAGE DEALER REASSIGNMENT

PURCHASER(S) _____ DATE OF SALE _____

ADDRESS _____

To be completed by seller of the vehicle unless sold to a Delaware Registered Dealer.

The vehicle described on the front of this certificate was sold for a total price of: \$ _____

I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following statements is checked:

ODOMETER READING - MILES (NO TENTHS) ☐ 1. The mileage stated is in excess of odometer mechanical limits (exceeds 99,999).

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FEDERAL and State Law requires that you state the mileage in connection with transfer of ownership. Failure to complete ODOMETER STATEMENT OR providing a FALSE STATEMENT may result in fines and/or imprisonment.

We certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

Signature of Seller - X _____ of Buyer - X _____

Signature of Seller - X _____ of Buyer - X _____

Printed Name of Seller _____ of Buyer - _____

SALVAGE DEALER REASSIGNMENT

PURCHASER(S) _____ DATE OF SALE _____

ADDRESS _____

To be completed by seller of the vehicle unless sold to a Delaware Registered Dealer.

The vehicle described on the front of this certificate was sold for a total price of: \$ _____

I certify to the best of my knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the vehicle unless one of the following statements is checked:

ODOMETER READING - MILES (NO TENTHS) ☐ 1. The mileage stated is in excess of odometer mechanical limits (exceeds 99,999).

☐ 2. The odometer reading is not the actual mileage. — WARNING - ODOMETER DISCREPANCY

FEDERAL and State Law requires that you state the mileage in connection with transfer of ownership. Failure to complete ODOMETER STATEMENT OR providing a FALSE STATEMENT may result in fines and/or imprisonment.

We certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

Signature of Seller - X _____ of Buyer - X _____

Signature of Seller - X _____ of Buyer - X _____

Printed Name of Seller _____ of Buyer - _____

INSTRUCTION TO REBUILDER

1. This Salvage Certificate *cannot* be assigned if the vehicle described herein *has been repaired and placed in operative condition*.
2. *Rebuilders applying for a reconstructed title must comply with all laws of the state of proposed titling.*
Applicant for a Delaware title must comply with the following:
(a) This Salvage Certificate with assignments properly executed. (b) Salvage Vehicle Inspection by Delaware State Police Auto Theft Unit. (c) Form MV 214 issued by State Police Auto Theft Unit.
3. If further instructions are needed, contact the Delaware Motor Vehicle Division at (302) 739-4458.
4. Rebuilder must furnish on demand, all receipts, etc. regarding the reconstructed vehicle.

Form MV 415

DOCUMENT NO. 45-07/96/05/02

LICENSE PLATE AND REGISTRATION FEE REQUIREMENTS FOR JUNKED VEHICLES

If the vehicle is demolished and will be junked, the registration card and license plate are to be collected and forwarded to the Motor Vehicle Administration Office.

The registrant has the privilege of registering another unregistered vehicle of like class using the same tag without additional registration on the demolished vehicle. This is processed like tag retention. The \$10.00 retention fee is waived. There is a title fee of \$15.00 and document fee, when applicable, on both vehicles.

If the vehicle is demolished and is sold for junk, thereby requiring the title to be assigned to the purchaser, the same privilege is given the registrant, but the tags should be returned to this Division accompanied by a sworn affidavit setting forth this fact.

POLICY REGULATION NO. 61

CONCERNING: ISSUANCE OF TITLE THROUGH REPOSSESSION AND SALE (RECOURSE)

This policy, which applies to the issuance of a Delaware certificate of title after a vehicle has been repossessed by a secured party in connection with recourse Security Agreement and transferred to a dealer, becomes effective immediately.

1. When a vehicle for which a Delaware certificate of title has been issued is repossessed by a secured party pursuant to Delaware law, and the Security Agreement provides for recourse by the secured party against a vehicle dealer, and the Security Agreement is reassigned and the repossessed vehicle is transferred by the secured party to the dealer, then, in connection with a request to issue a certificate of title in the name of the purchaser of the vehicle, Form MV518 (State of Delaware Certificate of Repossession and Sale (Recourse)) shall be completed in full by the secured party and the dealer as described in Paragraph 2 below.
2. Form MV518 shall be completed as follows:
 - a. The secured party shall complete Paragraph 1,2,3 and 4 of the Form and shall execute the Form in the indicated area.
 - b. The dealer shall complete Paragraph No. 5 of the Form and shall execute the Form in the indicated area.

3. At the time the secured party of the dealer reassigns the Security Agreement and the secured party transfers the repossessed vehicle to the dealer, the secured party shall deliver to the dealer Form MV518 along with the certificate of title to the repossessed vehicle. At the time of delivery of the Form by the secured party to the dealer, the secured party shall have completed and executed the Form as provided for in Paragraph 2a above. When the repossessed vehicle is sold by the dealer, to obtain a Delaware certificate of title in the name of the purchaser of the vehicle, the dealer shall submit to the Division of Motor Vehicles Form MV518 completed and executed by the secured party and the dealer as provided for in Paragraph 2 above and the Delaware certificate of title for the repossessed vehicle. The dealer shall mark the face of the certificate of title to reflect the fact that the lien noted thereon has been satisfied and shall complete the appropriate area on the reverse side of the certificate of title.
4. This procedure shall not apply to those repossessed vehicles for which liens have not been entered against the title pursuant to Chapter 23, Title 21 of the Delaware Code.
5. A repossessed title can only be issued on an out of state title when there is a Delaware lienholder recorded.

DMV REPOSSESSIONS PROCEDURES (WITHOUT RECOURSE):

- (1) Delaware certificate of title
 - a. with lien properly released on face by lienholder;
 - b. block one, signature of seller, must be signed by lienholder;
 - c. certificate of title can be assigned to purchaser;
 - d. block four must be completed and signed by purchaser/lienholder;
 - e. fee of \$15.00 in addition to the document fee, if applicable.
- (2) Accompanied by:
 - a. completed and notarized Form MV195 Repossession Certificate.

NOTE: A mileage disclosure must be made.

- (3) If the secured party has lost the Delaware certificate of title for a vehicle that has been repossessed, they must file a completed application for duplicate title (Form MV213) to be issued in the name of the former owner. After the duplicate title has been issued in the name of the former owner, the title with completed repossession form MV-195 must be immediately transferred pursuant to step number 1 (above).
- (4) A repossessed title can only be issued on an out of state title when there is a Delaware lienholder recorded.

DMV REPOSSESSION PROCEDURES (WITH RECOURSE)

- (1) Delaware certificate of title
 - a. with lien properly released on face by vehicle dealer;
 - b. block one, signature of seller, must be signed by vehicle dealer;
 - c. certificate of title can then be assigned to purchaser;
 - d. block four must be completed and signed by purchaser/dealer;
 - e. fee of \$15.00 in addition to the document fee, if applicable.
- (2) Accompanied by
 - a. completed and notarized Form MV518.

NOTE: A mileage disclosure must be made.



STATE OF DELAWARE CERTIFICATE OF REPOSSESSION AND SALE

STATE OF DELAWARE :
:
COUNTY OF KENT :

§

Now this 10th day of September, 2000, the undersigned, being hereby authorized to make this Certificate, do depose and say:

1. Jack's Auto Sales (the "Secured Party") is the holder of a Security Agreement dated the 4th day of January, 2000, under which the Secured Party was granted a security interest against the following motor vehicle (the "Vehicle"):

Manufacturer: Olds Year: 97 Title No.: 959595

Vehicle Identification (Serial) No.: 1G3W152M3VF310650

Title Issued in Name(s) of: Joe Poor

(the "Debtor").

2. On the 13th day of September, 2000, the Secured Party repossessed the vehicle.
3. On the 10th day of September, 2000, the Secured Party sold, assigned and transferred to John Q. Jones, a purchaser for value, all of the Debtor's rights, title and interest in and to the Vehicle.
4. The Secured Party hereby certifies that the repossession and sale of the Vehicle took place in conformity with relevant Delaware laws.
5. The Secured Party certifies to the best of knowledge that the ODOMETER READING is the ACTUAL MILEAGE of the Vehicle unless one of the following statements is checked.

ODOMETER READING—MILES (NO TENTHS)

	5	6	1	2	3
--	---	---	---	---	---

- ☐ 1. The mileage stated is in excess of odometer mechanical limits and the reading started again at zero (mileage exceeds 99,999 miles).
- ☐ 2. The odometer reading is not the actual mileage:
WARNING — ODOMETER DISCREPANCY

FEDERAL and STATE law requires that you state the mileage in connection with transfer of ownership. Failure to complete ODOMETER STATEMENT or providing a FALSE STATEMENT may result in fines and/or imprisonment. I/we certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

SWORN TO AND SUBSCRIBED before me on the day and year aforesaid:

Notary Public

Jack's Auto Sales
(Name of Secured Party)

By: Jack Poor
Owner

(Title of Person Signing Certificate)



STATE OF DELAWARE

CERTIFICATE OF REPOSSESSION AND SALE (RECOURSE)

The undersigned, being hereby authorized to make this Certificate, do depose and say:

1. On the 4th day of January, 2000, Jack's Auto Sales (the "Dealer") entered into a Security Agreement (the "Security Agreement"), under which the Dealer and its assigns were granted a security interest against the following motor vehicle (the "Vehicle"):

Manufacturer: Olds Year 97
 Vehicle Identification (Serial) No.: 1G3WH52M3YF310650
 Title No.: 959595
 Title Issued in Name(s) of: Joe Poor

- (the "Debtor").
2. On the 1st day of September, 2000, the Security Agreement was assigned, with recourse, by the Dealer to Delaware First State Bank (the "Secured Party").
3. On the 1st day of September, 2000, the Secured Party repossessed the vehicle.
4. On the 1st day of September, 2000, the Secured Party reassigned the Security Agreement and the security interest against the Vehicle, and transferred the Vehicle, to the Dealer.
5. On the 10th day of September, 2000, the Dealer sold, assigned and transferred to John Q. Jones, a purchaser for value, all of the Debtor's rights, title and interest in and to the Vehicle.
6. The Security Party hereby certifies that the repossession of the Vehicle took place in conformity with relevant Delaware laws.
7. The Dealer hereby certifies that the sale of the Vehicle took place in conformity with relevant Delaware Laws.
8. The Recourse Dealer certifies to the best of knowledge that the **ODOMETER READING** is the **ACTUAL MILEAGE** of the Vehicle unless one of the following statements is checked:

ODOMETER READING—MILES (NO TENTHS)

	5	6	1	2	3
--	---	---	---	---	---

- ☒ 1. The mileage stated is in excess of odometer mechanical limits and the reading started again at zero (mileage exceeds 99,999 miles).
- ☐ 2. The odometer reading is not the actual mileage.
 WARNING — ODOMETER DISCREPANCY

***NOTE: COMPLETE BOTH SIDES OF FORM**

Form MV-518 (Recourse)
 Revised 1/07/00

Document No.: 45-07-00-01-06

FEDERAL and STATE Law requires that you state the mileage in connection with transfer of ownership. Failure to complete ODOMETER STATEMENT or providing a FALSE STATEMENT may result in fines and/or imprisonment. I/we certify, under penalty of perjury, that the statements made herein are true and correct to the best of my/our knowledge, information and belief.

STATE OF DELAWARE

COUNTY OF KENT

§

Delaware First State bank
(Name of Secured Party)

Paragraphs 1, 2, 3, 4, 6

SWORN TO AND SUBSCRIBED before me on the

1st day of September 2000

Cheryl R. Stankley
Notary Public

By: Nancy Finance Nancy Finance
Loan Officer
(Title of Person Signing Certificate)

STATE OF DELAWARE

COUNTY OF KENT

§

Jack's Auto Sales
(Name of Dealer)

Paragraphs 1, 2, 3, 4, 5, 7, & 8

SWORN TO AND SUBSCRIBED before me on the

1st day of September 2000

Cheryl R. Stankley
Notary Public

By: Jack Deal Jack Deal
Owner
(Title of Person Signing Certificate)

REPOSSESSION LAWS

Delaware Title 6, Sections 9-501 to 9-507 covers repossessions. Dealers must follow the law on all repossessions. This law is included for your information and use:

NOTE: The Division is not responsible for notifying dealers of changes to the law.

9-501. Default; procedure when security agreement covers both real and personal property.

- (1) When a debtor is in default under a security agreement, a secured party has the rights and remedies provided in this Part and except as limited by subsection (3) those provided in the security agreement. He may reduce his claim to judgment, foreclose or otherwise enforce the security interest by any available judicial procedure. If the collateral is documents, the secured party may proceed either as to the documents or as to the goods covered thereby. A secured party in possession has the rights, remedies and duties provided in Section 9-207. The rights and remedies referred to in this subsection are cumulative.
- (2) After default, the debtor has the rights and remedies provided in this Part, those provided in the security agreement and thus provided in Section 9-207.
- (3) To the extent that they give rights to the debtor and impose duties on the secured party, the rules stated in the subsections referred to below may not be waived or varied except as provided with respect to compulsory disposition of collateral (subsection (3) of Section 9-504 and Section 9-505) and with respect to redemption of collateral (Section 9-506) but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable:
 - (a) Subsection (2) of Section 9-502 and subsection (2) of Section 9-504 insofar as they require accounting for surplus proceeds of collateral;
 - (b) Subsection (3) of Section 9-504 and subsection (1) of Section 9-505 which deal with disposition of collateral;
 - (c) Subsection (2) of Section 9-505 which deals with acceptance of collateral as discharge of obligation;
 - (d) Section 9-506 which deals with redemption of collateral; and (e) Subsection (1) of Section 9-507 which deals with the secured party's liability for failure to comply with this Part.
- (4) If the security agreement covers both real and personal property, the secured Party may proceed under this Part as to the personal property or he may proceed as to both the real and the personal property in accordance with his rights and remedies in respect of the real property in which case the provisions of this part do not apply.

- (5) When a secured party has reduced his claim to judgment the lien of any levy, which may be made upon his collateral by virtue of any execution, based upon the judgment shall relate back to the date of the perfection of the security interest in such collateral. A judicial sale, pursuant to such execution, is a foreclosure of the security interest by judicial procedure within the meaning of this section, and the secured party may purchase at the same and thereafter hold the collateral free of any other requirements of this Article. (5A Del. C1953, 9-501; 55 Del. Laws, c. 349; 64 Del. Laws, c. 152,7.)

Section specifically recognizes the right of parties to a security agreement to agree among themselves as to the duties and responsibilities of a secured party when default occurs. In re Copeland, 531 F.2d 1195 (3d Cir. 1976).

Secured party permitted to pursue alternative remedies.

Under this section, the secured party is permitted to pursue alternative remedies until the obligation is satisfied.

Shultz v. Delaware Trust Co., Del. Super., 360 A.2d 576 (1976).

And not required to elect one remedy to exclusion of another. Because this section provides that upon a default, the secured party is not required to elect one remedy to the exclusion of another. Shultz v. Delaware Trust Co., Del. Super., 360 A.2d 576 (1976).

9-502. Collection rights of secured party.

- (1) When so agreed and in any event on default the secured party is entitled to notify an account debtor or the obligator on an instrument to make payment to him whether or not the assignor was therefore making collections on the collateral, and also to take control of any proceeds to which he is entitled under Section 9-306.
- (2) A secured party who by agreement is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor and who undertakes to collect from the account debtors or obligators must proceed in a commercially reasonable manner and may deduct his reasonable expenses of realization from the collections. If the security agreement secures and indebtedness, the secured party must account to the debtor for any surplus, and unless otherwise agreed, the debtor is liable for any deficiency. But, if the underlying transaction was a sale of accounts or chattel paper, the debtor

is entitled to any surplus or is liable for any deficiency only if the security agreement provides. (5A Del.C. 1953, 9-502; 55 De. Laws, c. 349; 64 Del. Laws, c. 152,7.)

9-503. Secured party's right to take possession after default.

Unless otherwise agreed a secured party has on default the right to take possession of the collateral. In taking possession a secured party may proceed without judicial process if this can be done without breach of the peace or may proceed by action. If the security agreement so provides the secured party may require the debtor to assemble the collateral and make it available to the secured party at a place to be designated by the secured party, which is reasonably convenient to both parties. Without removal a secured party may render equipment unusable, and may dispose of collateral on the debtor's premises under Section 9-504(5A Del. C. 1953, 9-503; 55 Del. Laws, c. 349; 64 Del. Laws, C. 152, 7.)

This section does not constitute the creation by the State of a new right in a secured creditor which he would not theretofore have had but for the statute, but rather it is merely a statutory recognition of the law which has existed for almost a century, namely, that if the parties so provide in their agreement, a secured party may privately retake his collateral upon default by private means and without the necessity of judicial action, provided he can do so peacefully. *Giglio v. Bank of Del.*, Del. Ch., 307 A.2d 816 (1973).

The enactment of this section is not sufficient "state action" to make the standards of the due process clause applicable to "self help" repossession of collateral by a secured party. *Giglio c. Bank of Del.*, Del. Ch., 307 a.2d 816 (1973).

A private repossession pursuant to a contract recognized as valid by this section is not such conduct as to be "impregnated with a governmental character" to such extent as would cause it to fall under the Fourteenth Amendment coverage of state action. *Giglio v. Bank of Del.*, Del. Ch., 307 A.2d 816 (1973).

9-504. Secured party's right to dispose of collateral after default; effect of disposition.

- (1) A secured party after default may sell, lease or otherwise dispose of any or all of the collateral in its then condition or following any commercially reasonable preparation or processing. Any sale of goods is subject to the Article on Sales (Article 2). The proceeds of disposition shall be applied in the order following to:
 - (a) the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and, to the extent provided for in the agreement and not prohibited by law, the reasonable attorney's fees and legal expenses incurred by the secured party;

- (b) the satisfaction of indebtedness secured by the security interest under which the disposition is made;
 - (c) the satisfaction of indebtedness secured by any subordinate security interest in the collateral if written notification of demand therefore is received before distribution of the proceeds is completed. If requested by the secured party, the holder of a subordinate security interest must reasonably furnish reasonable proof of his interest, and unless he does so, the secured party need not comply with his demand.
- (2) If the security interest secures indebtedness, the secured party must account to the debtor for any surplus, and, unless otherwise agreed, the debtor is liable for any deficiency. But if the underlying transaction was a sale of accounts or chattel paper, the debtor is entitled to any surplus or is liable for any deficiency only if the security agreement so provides.
- (3) Disposition of the collateral may be by public or private proceedings and may be made by way of 1 or more contracts. Sale or other disposition may be as a unit or in parcels and at any time and place and on any terms but every aspect of the disposition including the method, manner, time, place and terms must be commercially reasonable. Unless collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be sent by the secured party to the debtor, if he has not signed after default a statement renouncing or modifying his right to notification of sale. In the case of consumer goods no other notification need be sent. In other cases notification shall be sent to any other secured party from whom the secured party has received (before sending his notification to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. The secured party may buy at any public sale and if the collateral is of a type customarily sold in a recognized market or is of a type, which is the subject of widely, distributed standard price quotations he may buy at private sale.
- (4) When collateral is disposed of by a secured party after default, the disposition transfers to a purchaser for value all of the debtor's rights therein, discharges the security interest under which it is made and any security interest or lien subordinate thereto. The purchaser takes free of all such rights and interest even though the secured party fails to comply with the requirements of this Part or of any judicial proceedings
 - (a) in the case of a public sale, if the purchaser has no knowledge of any defects in the sale and if he does not buy in collusion with the secured party, other bidders or the person conducting the sale; or

- (b) in any other case, if the purchaser acts in good faith.
- (5) A person who is liable to a secured party under a guaranty, endorsement, repurchase agreement or the like and who receives a transfer of collateral from the secured party or is subrogated to his rights has thereafter the rights and duties of the secured party. Such a transfer of collateral is not a sale or disposition of the collateral under this Article. (5A Del. C. 1953, 9-504; 55 Del. Laws, c. 349; 64 Del. Laws, C. 152, 7.)

Retention of collateral not contemplated disposition under subsection (1). - Retention of collateral is not the type of disposition, which is contemplated by the language of subsection (1) of this section permitting a secured party to "otherwise dispose of" collateral in the absence of a disposition by sale or lease. In re Copeland, 531 F2d 1195 (3d Cir. 1976).

Reassignment of collateral - A reassignment of collateral from a bank back to the seller, pursuant to the repurchase agreement, is not a sale or disposition of the collateral under the Code and does not activate the notice provision of this section. Stoppi v. Wilmington Trust Co., Del. Supr., 518 A.2d 82 (1986).

Notice of private sale by previous secured party. - Seller did not have the rights and responsibilities of previous secured party; current secured party to satisfy duty to notify under this section could not rely on this notice of private sale given by previous secured party. Stoppi v. Wilmington Trust Co., Del. Supr., 518 A2d 82 (1986).

Purpose of requiring notice under subsection (3) of this section is threefold: (1) It gives the debtor an opportunity to exercise the right of redemption of the repossessed collateral provided for by 9-506 of this title; (2) it gives the debtor the chance to challenge any aspect of the disposition before it is made; and (3) it offers the debtor the opportunity to seek out persons who might be interested in purchasing the collateral. Particularly the last two of these purposes serve the ultimate goal of allowing the debtor to maximize the sale price of the collateral and, thus, minimize any deficiency for which he will be liable. Rushton v. Shea, 423 F. Supp. 468 (D. Del. 1976).

The purpose of the requirement of "reasonable" notification: in subsection (3) of this section is threefold: (1) It gives the debtor the opportunity to exercise his redemption rights under 9-506 of this title; (2) it affords the debtor an opportunity to seek out buyers for the collateral; and affords the debtor an opportunity to seek out buyers for the collateral; and (3) it allows the debtor to oversee every aspect of the disposition, thus maximizing the probability that a fair sale price will be obtained. Wilmington Trust Co. v. Conner, Del. Spr., 415 A.2d 773 (1980).

Purpose of written notice. - The apparent majority rule under the Uniform Commercial Code as concerns failure to fully comply with its notice provisions is the "absolute bar" theory: Failure to comply strictly with the notice provisions of the Code acts as an absolute bar to recovery of a deficiency judgment by the creditor. *Wilmington Trust Co. v. Conner*, Supr., 415 A.2d 773 (1980).

Delaware adheres to the "absolute bar" rule. *Wilmington Trust Co. v. Conner*, Del. Supr., 415 A.2d 773 (1980).

Failure to account for rebate of unearned charges and premiums is defect in notice. Plaintiff's failure to account in the notice required in subsection (3) of this section for the rebate of unearned finance charges and insurance premiums constituted a defect in the notice. *Wilmington Trust Co. v. Conner*, Del. Supr., 415 A.2d 773 (1980).

And is manifestly unreasonable. - Where plaintiff's notice pursuant to subsection (3) of this section failed to take into account possible rebates due the buyer, in light of the plaintiff's statutory duty under 2906(g) and former 2908 of Title 5 to rebate unearned finance charges and insurance premiums, a blatant assertion in the notice that the total amount under the contract was due, without reference to such possible rebates, was manifestly unreasonable. *Wilmington Trust Co. v. Conner*, Del. Supr., 415 A.2d 773 (1980).

Notice containing inflated balance due is not "reasonable notification" - Where the notice required by subsection (3) of this section contained a stated balance that was inflated \$654.61 above the amount actually owed, this notice was not "reasonable notification". *Wilmington Trust Co. v. Conner*, Del. Supr., 415 A.2d 773 (1980).

Commercial reasonableness of creditor's actions must include consideration of delay in proceeding with sale after coming into possession of the collateral and after giving notice of private sale. *Associates Fin. Servs. Co. v. Dimarco*, Del. Super., 383 A.2d 296 (1978).

Mere delay in effecting private sale after giving notice does not violate the notice requirements, provided the test of commercial reasonableness can be met. *Associates Fin. Servs. Co. v. DiMarco*, Del. Super., 383 A.2d 296 (1978).

Notice of private sale cannot be given as preliminary step culminating in public sale. *Associates Fin. Servs. Co. v. DiMarco*, Del. Super. 383 A.2d 296 (1978).

9-505. Compulsory disposition of collateral; acceptance of the collateral as discharge of obligation.

- (1) If the debtor has paid 60 percent of the cash price in the case of a purchase money security interest in consumer goods or 60 percent of the loan in the case of another security interest in consumer goods, and has not signed after default a statement renouncing or modifying his rights under this Part a secured party who has taken possession of collateral must dispose of it under Section 9-504 and if he fails to do so within 90 days after he takes possession the debtor at his option may recover in conversion or under Section 9-507(1) on secured party's liability.
- (2) In any other case involving consumer goods or any other collateral a secured party in possession may, after default, propose to retain the collateral in satisfaction of the obligation. Written notice of such proposal shall be sent to the debtor if he has not signed after default a statement renouncing or modifying his rights under this subsection. In the case of consumer goods no other notice need be given. In other cases notice shall be sent to any other secured party from whom the secured party has received (before sending his notice to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. If the secured party receives objection in writing from a person entitled to receive notification within 21 days after the notice was sent, the secured party must dispose of the collateral under Section 9-504. In the absence of such written objection the secured party may retain the collateral in satisfaction of the debtor's obligation. (5A Del. C. 1953, 9-505; 55 Del. Laws, c.349; 64 Del. Laws, C. 152, 7.)

Length of time secured party holds collateral must be reasonable. - There must be a reasonable limit to the length of time a secured party is permitted to hold collateral before it is deemed to have exercised its right to retain that collateral in satisfaction of the obligation. *Shultz v. Delaware Trust Co.*, Del. Super., 360 A.2d 576 (1976).

And determination of reasonableness is for trier of fact. - The determination of the question of reasonableness of length of time a secured party holds collateral is for the trier of fact. *Shultz v. Delaware Trust Co.*, Del. Super., 360 A.2d 576 (1976).

Effect of debtor's objection to secured party's proposal to retain collateral. - The requirement under 9-504 and 9-507 (2) of this title that secured creditors proceed in a commercially reasonable manner does not displace the specific provisions of 9-504 of this title and this section which require a secured

party to "sell, lease or otherwise dispose of" collateral, if the debtor properly objects to the secured party's proposal to retain the collateral in satisfaction of his claim. In re Copeland, 531 F.2d 1195 (3D Cir. 1976).

Notice may not be waived. - Notice guarantee in subsection (2) of this section may not be waived. Shultz v. Delaware Trust Co., Del. Super., 360 A.2d 576 (1976).

And damages are recoverable under 9-507 of this title for violation of the notice guarantee of this section. Shultz v. Delaware Trust Co., Del. Super., 360 A.2d 576 (1976).

9-506. Debtor's right to redeem collateral.

At any time before the secured party has disposed of collateral or entered into a contract for its disposition under Section 9-504 or before the obligation has been discharged under Section 9-505(2) the debtor or any other secured party may unless otherwise agreed in writing after default redeem the collateral by tendering fulfillment of all obligations secured by the collateral as well as the expenses reasonably incurred by the secured party in retaking, holding and preparing the collateral for disposition, in arranging for the sale, and to the extent provided in the agreement and not prohibited by law, his reasonable attorneys' fees and legal expenses. (5A Del. C. 1953. 9-506; 55 Del. Laws, c. 349; 64 Del. Laws, C. 152, 7).

9-507. Secured party's liability for failure to comply with this Part.

- (1) If it is established that the secured party is not proceeding in accordance with the provisions of this Part disposition may be ordered or restrained on appropriate terms and conditions. If the disposition has occurred the debtor or any person entitled to notification or whose security interest has been made known to the secured party prior to the disposition has a right to recover from the secured party any loss caused by a failure to comply with the provisions of this Part. If the collateral is consumer goods, the debtor has a right to recover in any event an amount not less than the credit service charge plus 10 percent of the principal amount of the debt or the time price differential plus 10 percent of the cash price.

- (2) The fact that a better price could have been obtained by a sale at a different time or in a different method from that selected by the secured party is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. If the secured party either sells the collateral in the usual manner in any recognized market therefore or if he sells at the price current in such market at the time of his sale or if he has otherwise sold in conformity with reasonable commercial practices among dealers in the type of property sold he has sold in a commercially reasonable manner. The principles stated in the 2 preceding sentences with respect to sales also apply as may be appropriate to other types of disposition. A disposition, which has been approved in any judicial proceeding or by any bona fide creditors' committee or representative of creditors, shall conclusively be deemed to be commercially reasonable, but this sentence does not indicate that any such approval must be obtained in any case nor does it indicate that any disposition not so approved is not commercially reasonable. (5A Del. C. 1953, 9-507; 55 Del. Laws, c. 349; 64 Del. Laws, c. 152, 7).

Applicability of section. - This section imposes damages only upon secured parties who violate this part. *Stoppi v. Wilmington Trust Co.*, Del. Super., 518 A.2d 82 (1986).

Effect of debtor's objection to secured party's proposal to retain collateral. The requirement under 9-504 of this title and subsection (2) of this section that secured creditors proceed in a commercially reasonable manner does not displace the specific provisions of 9-504 and 9-505 of this title which require a secured party to "sell, lease or otherwise dispose of" collateral, if the debtor properly objects to the secured party's proposal to retain the collateral in satisfaction of his claim. *In re Copeland*, 531 F.2d 1195 (3d Cir. 1976).

Damages are recoverable under this section for violation of the notice guarantees of 9-112 and 9-505 of this title. *Shultz v. Delaware Trust Co.*, 360 A.2d 576 (1976).